LICENSE AGREEMENT

This LICENSE AGREEMENT ("License") is entered into this 10th day of September, 2026 ("Execution Date"), by and between HESPERIA VENTURE I, LLC a California Limited Liability Company ("HVI"), and CRESTLINE SANITATION DISTRICT, a special district of the State of California ("District"). HVI and District are sometimes hereinafter individually referred to as a "Party" and collectively as "the Parties."

RECITALS

WHEREAS, HVI, as the lawful successor in interest to Hesperia Venture I, LLC, a California Limited Liability Company (sometimes erroneously identified as a Delaware Limited Liability Company), and Terra Verde Group, LLC, a Delaware Limited Liability Company (collectively, "Prior Owners"), owns and controls certain real property within the County of San Bernardino consisting of approximately 825 acres, and more thoroughly described and depicted in Exhibit "A" attached hereto and incorporated herein by this reference, on which the District currently discharges Recycled Water ("Property"); and

WHEREAS, District produces hundreds of acre-feet of Title 22 recycled water ("Recycled Water") per year as a byproduct of its wastewater treatment services. Recycled water is a valuable resource which should be utilized to obtain maximum beneficial use for District ratepayers; and

WHEREAS, for approximately fifty (50) years, District has discharged its Recycled Water onto District-owned property, which then flows onto the Property ("Discharge") pursuant to a year-to-year agreement with Prior Owners and HVI, and in accordance with the updated Waste Discharge Requirements under Board Order No. 6-94-57 for WDID No. 6B360106001 issued to the District by the State of California Regional Water Quality Control Board, Lahontan Region ("Lahontan") (a true and correct copy of which is attached hereto as Exhibit "B" and incorporated herein by this reference). The Recycled Water is Discharged onto the Property in accordance with the updated Waste Discharge Requirements under Board Order No. 6-96-24, and Water Recycling Requirements under Board Order No. 6-96-24A1, for WDID No. 6B361018001 issued for the Property by Lahontan (a true and correct copy of which is attached hereto as Exhibit "C" and incorporated herein by this reference). The Board Orders referenced above shall be collectively referred to herein as "Permits"; and

WHEREAS, on February 25, 2016, District commenced legal action against the Prior Owners and the City of Hesperia in Crestline Sanitation District v. City of Hesperia, et al., San Bernardino County Superior Court Case No. CIVDS 1602789 ("Action"); and

WHEREAS, on or about November 30, 2017, District and Prior Owners entered into a *Settlement and General Release Agreement* to the Action ("Settlement Agreement") which is attached hereto as Exhibit "D" and fully incorporated herein by this reference; and

WHEREAS, pursuant to the Settlement Agreement, Prior Owners agreed to grant District a license to Discharge Recycled Water on the Property; and

WHEREAS, subsequent to the execution of the Settlement Agreement, Terra Verde Group, LLC a Delaware Limited Liability Company interest in the property was terminated making HVI the sole owner of the Property; and

WHEREAS, HVI hereby grants District a license to Discharge Recycled Water on the Property under the terms and conditions hereinafter set forth.

COVENANTS

NOW, THEREFORE, for an in consideration of the mutual covenants, and obligations contained herein and other good and valuable consideration received by each party, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Incorporation of Recitals.** The foregoing Recitals are hereby incorporated into this License in their entirety.

2. **Term.** The term of this License shall commence on the Execution Date and shall terminate on November 30, 2101 ("Term"). The Parties can extend the Term for a period of no more than five (5) years by subsequent mutual written consent in order to negotiate an amendment to this License pursuant to Section 21 below or a new agreement for the license herein.

3. **Grant of License.** HVI hereby grants to District an irrevocable non-exclusive license to Discharge Recycled Water onto the Property together with the right of entry onto the Property as needed to inspect, repair, maintain, and oversee the recycled water discharge facilities. Unless there is an emergency, the District shall give written notice to HVI five (5) business days before entry onto the Property.

4. **Recycled Water.** The Parties agree to meet quarterly during the Term and HVI will document during those meetings how Recycled Water will be dispersed throughout the Property in accordance with Exhibit "E" attached hereto and incorporated herein by this reference. The Parties also agree that HVI will document during said meetings the enhancement plan for the Property in accordance with Exhibit "F" attached hereto and incorporated herein by this reference. It is understood that HVI shall not acquire any rights to the Recycled Water. District shall have the right to move Recycled Water on the Property as may be required by the Permits and/or other applicable Discharge requirements.

5. **Maintenance and Enhancement of the Property.** HVI acknowledges that District will not be responsible, financially or otherwise, with respect to the maintenance and upkeep of the Property for work required under the updated Waste Discharge Requirements under Board Order No. 6-96-24, and Water Recycling Requirements under Board Order No. 6-96-24A1, for WDID No. 6B361018001 issued for the Property by Lahontan ("HVI Permit"), which shall include:

a. HVI shall maintain as designed all diversion channels, slide gates, and appurtenances necessary for the Discharge system to the Property.
b. HVI shall replace all old gates as needed at its sole cost and expense to make certain that access to diversion channels is unrestricted.
c. HVI shall be responsible for weed abatement within the Property to maintain a uniform plant palette and reduce the danger of fire risk.
d. HVI shall manage and operate the Property in a manner to reduce the potential for persistent ponding of wastewater which is capable of promoting the breeding of mosquitos.
e. HVI shall perform annual vegetation reduction on the Property.
f. HVI and District shall meet every three (3) months during the Term to ensure compliance with the terms and conditions of this License and to discuss Discharge locations on the Property.
g. HVI shall manage and operate the Property in a manner that complies with the requirements of the Permits while also providing for the preservation and protection of endangered species located on the Property.

6. **Regional Water Quality Control Board.**

a. HVI shall maintain the HVI Permit and not assign it to the District as required under the Settlement Agreement. HVI shall be responsible for the cost of any modifications to the HVI Permit issued to HVI that may be required by Lahontan in order to implement this License. HVI shall also be responsible for ensuring that its operation and management of the Property conforms at all times with the terms and conditions of the HVI Permit, including as same may be amended by Lahontan during the Term. HVI shall manage and operate the Property in a manner which allows for the preservation and perseverance of the endangered species on the Property under the Permits.
b. The District shall maintain the updated Waste Discharge Requirements under Board Order No. 6-94-57 for WDID No. 6B360106001 issued to the District ("District Permit") and shall be solely responsible for the cost of any modifications to the District Permit. The District shall also be responsible for ensuring that its operation and management of the Property conforms at all times with the terms and conditions of the District Permit, including as same may be amended by Lahontan during the Term. HVI agrees to work with District to assist the District in meeting its requirements under the District Permit. HVI agrees to work with the District on the upgrades at the Discharge sites on the Property to create a broader area of discharge and assist with rehabilitation of slide gates and valves within canals to facilitate movement of water throughout the Property to assist with reduction of nitrate levels. HVI agrees to work with District to provide other nitrogen uptake options for the Recycled Water utilized on the Property, if necessary. HVI agrees to use its best efforts to enhance opportunities for nitrogen uptake on the Property. All work required under the District Permit undertaken by HVI

shall be a joint cost of HVI and the District, which the District will reimburse to HVI fifty (50) percent of these costs within 30 days of invoicing by HVI.

7. **Right of First Refusal**. Unless the District determines in the exercise of its sole discretion that the public health, safety, welfare, or convenience necessitates otherwise, the District agrees to give HVI a first right of refusal on any opportunities District has to furnish or sell its Recycled Water for construction or other uses. As long as the District is discharging on the Property, the District will maintain a minimum discharge of 100 acre-feet per year, subject to "Force Majeure Events" as defined herein. Neither Party shall be liable for any delay, failure in performance, reduction in service, or inability to perform its obligations under this Agreement to the extent caused by a Force Majeure Event. For purposes of this Agreement, a "Force Majeure Event" means any event, circumstance, or condition beyond the reasonable control of the affected Party, which by the exercise of due diligence could not have been prevented or avoided, including without limitation: (a) riots; wars (declared or undeclared); sabotage; civil or criminal disturbances; insurrection; terrorist activities; (b) labor disputes, strikes, lockouts, or work stoppages not caused by the affected Party's failure to comply with applicable labor laws; (c) explosions; floods; earthquakes; landslides; fires; drought; severe storms; and other natural disasters; (d) natural conditions, including changed hydrologic conditions, groundwater basin conditions, or surface water supply interruptions; (e) water conservation conditions, regulations, directives, or mandates imposed by federal, state, or local governmental authorities; (f) water quality conditions or contamination events, and any related regulatory orders, directives, or compliance requirements; (g) pandemics, epidemics, public health emergencies, or related governmental responses; (h) federal, state, or local laws, regulations, permitting requirements, licensing requirements, or regulatory actions adopted, modified, or interpreted after the Effective Date that materially affect performance; (i) court orders, injunctions, judgments, or decrees; (j) catastrophic events beyond the reasonable control of the Party; (k) infrastructure failure, emergency repairs, or replacement of facilities, pipelines, treatment systems, or related infrastructure, provided such failure was not caused by the gross negligence or willful misconduct of the Party; and (l) pre-existing third-party rights, senior water rights, contractual entitlements, or legal constraints that restrict or limit the Party's ability to deliver water or perform as contemplated herein.

   The affected Party shall provide written notice of the Force Majeure Event as soon as reasonably practicable, describing the nature of the event, its anticipated duration, and the steps being taken to mitigate its impact. The affected Party shall use commercially reasonable efforts to resume full performance as soon as reasonably possible. Performance shall be suspended only to the extent and for the duration that the Force Majeure Event prevents performance. Nothing herein shall excuse performance to a greater extent or for a longer period than is reasonably required by the Force Majeure Event.

8. **Regulatory Changes**. District and HVI agree to review this License, and any revisions thereto, every 35 years to ensure compliance with all applicable local, state, and federal discharge requirements. If any local, state, and federal discharge requirements necessitate

modifications to this License, then the Parties will work together in a good faith effort to address the necessary revisions.

9. **Non-Transferability of License.** This License is not transferable by District without HVI's prior written consent.

10. **Termination.** Upon the termination of this License, District shall submit a request to quiet title to the San Bernardino County Recorder's Office to remove this License from the Property's title.

11. **Indemnification.**

    a. Each Party hereto agrees to protect, indemnify, defend, and hold harmless the other Party and its directors, officer, employees, agents, successors, and assigns from and against any and all actual or potential claims, liabilities, damages, losses, fines, penalties, judgments, awards, costs, and expenses (including reasonable attorneys' fees and costs) asserted against, resulting to, imposed upon, or incurred by said other Party by reason of the first Party's breach of any provisions of this License. This indemnification shall survive the termination of this License.
    b. HVI represents and warrants that it possesses full legal authority to convey to District the rights reflected in this License. HVI shall protect, indemnify, defend, and hold harmless the District and its directors, officer, employees, agents, successors, and assigns from and against any and all actual or potential claims, liabilities, damages, losses, fines, penalties, judgments, awards, costs, and expenses (including reasonable attorneys' fees and costs) asserted against, resulting to, imposed upon, or incurred by District by reason of HVI's breach of said representations and warranties. This indemnification shall survive the termination of this License.
    c. HVI shall further protect, indemnify, defend, and hold harmless the District and its directors, officer, employees, agents, successors and assigns from and against any and all actual or potential claims, liabilities, damages, losses, fines, penalties, judgments, awards, costs, and expenses (including reasonable attorneys' fees and costs) asserted against, resulting to, imposed upon, or incurred by District by reason of the application of Recycled Water on the Property. This indemnification shall survive the termination of this License.

12. **Insurance.** District agrees to obtain and continue in force at all times during the life of this License a comprehensive general liability insurance policy covering liability from the Discharge of the Recycled Water on the Property, or such other insurance policy reasonably acceptable to HVI, that names HVI, its respective directors, predecessors, successors, assigns, officers, shareholders, members, and employees as additional insureds by endorsement and that has a policy limit of at least one million ($1,000,000) per occurrence and two million ($2,000,000) in aggregate.

13. **No Joint Venture or Partnership.** This License shall not be construed as to create a joint venture, partnership, employment, or other agency relationship between the Parties hereto.

14. **Severability.** The terms of this License shall be severable. In the event any of the terms or provisions of this License are deemed to be void or otherwise unenforceable, for any reason, the remainder of this License shall remain in full force and effect.

15. **Governing Laws.** This License shall be subject to and governed by the laws of the State of California. Venue for the resolution of any disputes or the enforcement of any rights arising out of or in connection with this License shall be in the San Bernardino County Superior Court.

16. **References in License.** All references in this License to the singular shall include the plural where applicable, and all reference to the masculine shall include the feminine and vice versa. If either reference shall be declared invalid, such decision shall not affect the validity of any remaining portion that shall remain in full force and effect.

17. **Notices.** Any notice, action, or demand by either Party to the other in connection with this License shall be deemed to have been fully given or made when such notice, action, or demand is written and deposited in a sealed envelope postage prepaid, and addressed as designated below. Either Party may change its address by giving the other Party written notice of its new address.

District: Crestline Sanitation District
24516 Lake Drive
P.O. Box 3395
Crestline, CA 92325-3395
Tel: (909) 338-1751
Attn: General Manager

HVI: Hesperia Venture I, LLC
P.O. Box 645
Calimesa, CA 92320
Tel: (714) 785-2381
Attn: John Ohanian, Project Director
johanian@tvgllc.com

18. **Multiple Counterparts.** This License may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute on and the same instrument.

19. **Assignment.** This License shall be binding on the Parties hereto and their respective successors and permitted assigns. This License and the obligations herein may not be assigned without the express written consent of each of the Parties hereto. The License granted herein is personal to Licensee.

20. **Entire Agreement**. This License and its exhibits constitute the entire agreement and understanding between the Parties and supersedes any prior agreement or understanding relating to the subject matter of this License.

21. **Modification**. This License may be changed, modified, or amended only by a fully authorized written instrument executed by the Parties hereto. Each Party agreed no representations or warranties shall be binding upon the other Party unless express in writing herein or in a duly authorized and executed amendment hereof.

22. **Miscellaneous**. No waiver of any of the provisions of this License shall be deemed or shall constitute a waiver of any other provisions, whether or not similar, nor shall any waiver be a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver. The headings of this License are for purposes of reference only and shall not limit or define the meaning of any terms or provisions of this License. This License was drafted by legal representatives of the Parties and therefore ambiguities shall not be interpreted against either Party. To the extent the language in this License is in conflict with any language in the Settlement Agreement, the language in this License will control.

23. **Recording**. Within thirty (30) days of full execution of this License, District or HVI shall cause this License to be recorded with the San Bernardino County Recorder's Office.

IN WITNESS WHEREOF, the Parties have agreed to execute this License effective from and after the Execution date set forth above:

CRESTLINE SANITATION DISTRICT

By:_____
Dawn Grantham, General Manager

HESPERIA VENTURE I, LLC

By _____
Robert Schlegel, Managing Member

APPROVED AS TO FORM:

DATED: COUNSEL FOR CRESTLINE SANITATION DISTRICT

By:_____

Steven M. Kennedy of Brunick, McElhaney & Kennedy

DATED: *9-17-26* COUNSEL FOR HESPERIA VENTURE I, LLC

By: *Douglas E. Wance*
Douglas E. Wance of Buchalter Nemer

EXHIBIT A

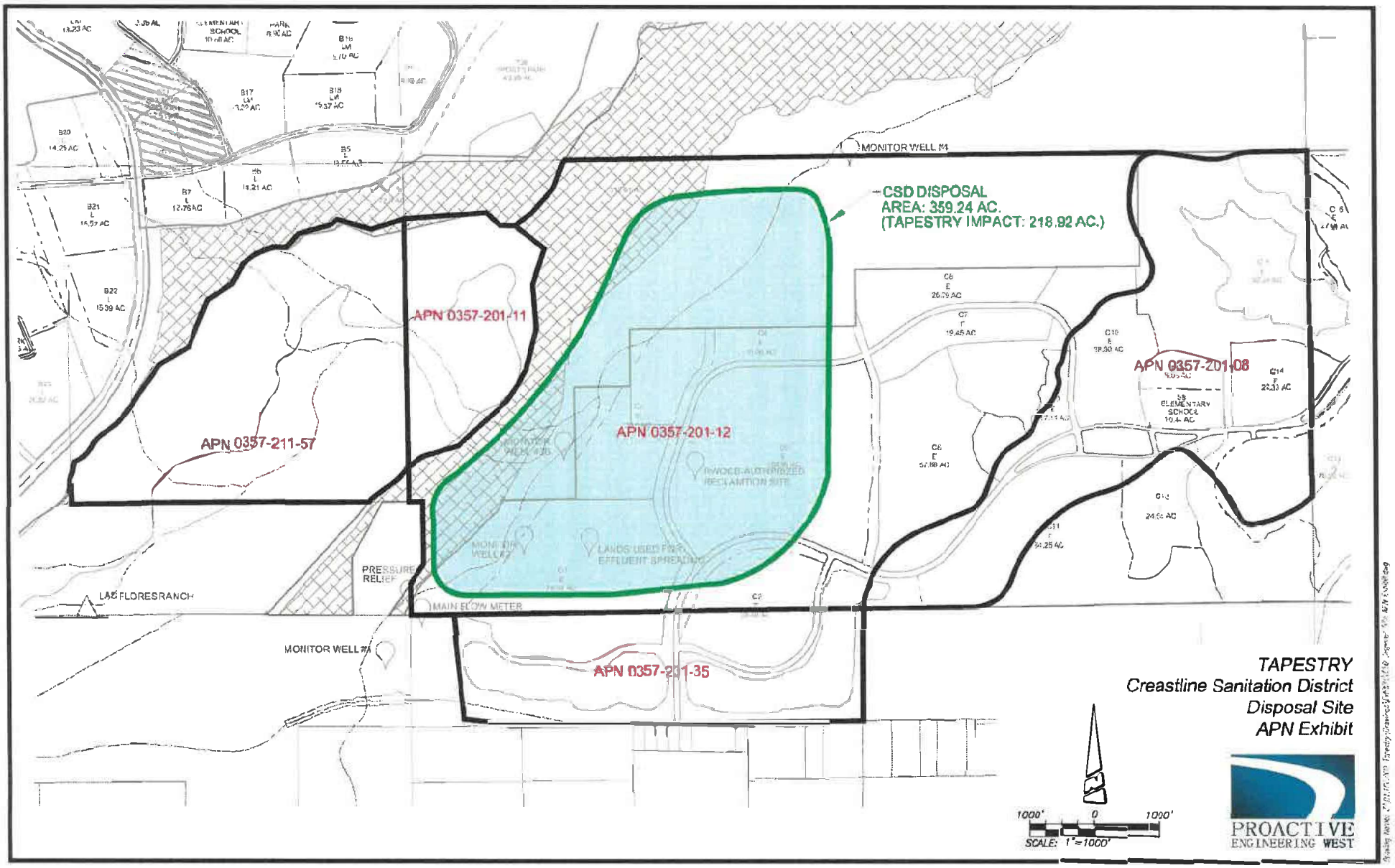

CSD DISPOSAL
AREA: 359.24 AC.
(TAPESTRY IMPACT: 218.92 AC.)
APN 0357-201-11
APN 0357-201-12
APN 0357-201-08
APN 0357-211-57
APN 0357-211-35
MONITOR WELL #4
MONITOR WELL #3
MONITOR WELL #2
MONITOR WELL #1
PRESSURE RELIEF
MAIN FLOW METER
LAS FLORES RANCH
1000' 0 1000'
SCALE: 1"=1000'
TAPESTRY
Creastline Sanitation District
Disposal Site
APN Exhibit
PROACTIVE ENGINEERING WEST

EXHIBIT B

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
LAHONTAN REGION

BOARD ORDER NO. 6-94-57
WDID NO. 6B360106001

UPDATED WASTE DISCHARGE REQUIREMENTS

FOR

CRESTLINE SANITATION DISTRICT

San Bernardino County

The California Regional Water Quality Control Board, Lahontan Region (Regional Board) finds:

1. Discharger

The Crestline Sanitation District (District), by submittal of the *Master Plan Update/Environmental Initial Study* (January/February 1993), hereby incorporated by reference, submitted a complete report of waste discharge for District operations on March 3, 1993. For the purposes of this Order, Crestline Sanitation District is referred to as the "Discharger."

2. Facility

The Huston Creek, Seeley Creek, and Cleghorn wastewater treatment plants, the District-owned reclamation site, and the District-owned emergency disposal site are the facilities which the Discharger controls, and are the facilities from which the discharge occurs. For the purposes of this Order, the above-mentioned treatment and disposal areas are collectively referred to as the "Facility". The Facility discharges domestic sewage, septage, and sludge.

Under normal circumstances, the majority of the District's wastewater is used for pasture irrigation at a privately-owned facility, the Rancho Las Flores (formerly Summit Valley Ranch). Rancho Las Flores has agreed to accept effluent from the Discharger, and is regulated under separate reclamation requirements prescribed in Board Order No. 6-85-27 (adopted March 14, 1985). For the purposes of this Order, the three sites where wastewater may be discharged will be distinguished as "Rancho Las Flores", the (District-owned) "reclamation site" and the (District-owned) "emergency disposal site". Under emergency conditions, flow may be diverted from Rancho Las Flores to the emergency disposal site.

3. History of Previous Regulation by the Regional Board

The Regional Board previously established waste discharge requirements for the Crestline Sanitation District under Board Order No. 6-85-25, which was adopted on March 15, 1985, Board Order No. 6-80-22, which was adopted on March 13, 1980, and Board Order No. 6-77-67, which was adopted on June 30, 1977. The Discharger has previously violated waste discharge requirements, resulting in the following enforcement actions.

Administrative Civil Liability Order No. 6-93-82 was adopted by the Regional Board on August 13, 1993, as a result of an unauthorized discharge of disinfected secondary-treated sewage to the West Fork of the Mojave River. More than 11 million gallons were discharged over a 9-day period from an undetected break in the Discharger's outfall line on the Rancho Las Flores. The Discharger completed an alarm installation mitigation project in December of 1993 in lieu of paying an administrative civil liability in the amount $13,500.

Administrative Civil Liability Order No. 6-89-53 was adopted by the Regional Board on April 14, 1989, as a result of an unauthorized discharge of disinfected secondary-treated sewage to the West Fork of the Mojave River from the authorized disposal site. The Regional Board assessed and collected $2000 in administrative civil liabilities from the Discharger for the unauthorized discharge.

The Discharger was previously subject to Cease and Desist Order No. 6-78-23, which was adopted by the Regional Board on April 13, 1978 and later amended by the State Water Resources Control Board (SWRCB) through their Order No. WQ 78-12, which was adopted on June 15, 1978. The Cease and Desist Order was issued because of excessive infiltration and inflow in the collection system which resulted in violations of waste discharge requirements and discharge prohibitions. Since the time of adoption of Cease and Desist Order No. 6-78-23, the Discharger has complied with requirements by constructing improved sewage collection, treatment, and disposal systems as described in this Order. The Regional Board rescinded the Cease and Desist Order on February 9, 1989 (Board Order No. 6-89-36). In 1994, the Discharger applied to the SWRCB for a $7.5 million State Revolving Fund Loan to implement an Inflow and Infiltration Reduction Program, and a $3.0 million Revolving Fund Loan to implement an Effluent Emergency Storage Project at the Huston and Seeley Creek treatment plants. These loan proposals involve repairing and replacing aging and/or faulty pipe, joints, and laterals, and providing emergency storage capacity to prevent unauthorized discharges, respectively.

4. Reason for Action

The Regional Board is updating waste discharge requirements as part of an ongoing program to periodically review and update waste discharge requirements to reflect current Regional Board policies. The purpose of this Order is to update waste discharge specifications and Facility information.

5. Facility Locations

The Facility is located in the San Bernardino Mountains of San Bernardino County. The Huston Creek treatment plant serves the Lake Gregory, San Moritz, and upper Crestline areas and (together with the District headquarters) is located in the community of Crestline, at 24516 Lake Drive, APN 0337-101-08, within Section 14, T2N, R4W, SBB&M. The Seeley Creek treatment plant serves the Valley of Enchantment area and is located along State Highway 138, one mile north of Camp Seeley, APN 0343-031-03,

within portions of Sections 9 and 16, T2N, R4W, SBB&M. (The Seeley Creek treatment plant is located on federal lands administered by the U.S. Department of Agriculture/Forest Service, San Bernardino National Forest, and is owned and operated by the Discharger under a Special Use Permit.) The Cleghorn facilities serve the Silverwood Lake State Recreational Area and are located on the west side of State Highway 138 near Silverwood Lake, at Cleghorn Road, APN 0341-111-19, within Section 1, T2N, R5W, SBB&M. The reclamation site, approximately six acres of land at the sewage outfall which are regularly irrigated with wastewater, is accessible from State Highway 173, APN 357-231-32, within Section 33, T3N, R4W, SBB&M. Another twelve acres of emergency disposal fields, with approximately one acre of sand percolation beds, are accessible from State Highway 173, APN 357-211-30, with portions in Sections 28 and 29, T3N, R4W, SBB&M. These latter two parcels are located near Rancho Las Flores in Summit Valley. The above-mentioned locations are shown on Attachment "A", which is made part of this Order.

6. Other Facilities

The effluent from the Huston, Seeley Creek, and Cleghorn plants is reclaimed at the 500-acre Rancho Las Flores, located approximately 1500 feet north of Silverwood Lake, and accessible via State Highway 173, APN 0357-231-32, within portions of Section 28, 29, and 33, T3N, R4W, SBB&M. The Discharger also disposes of treated effluent from another area facility, the Pilot Rock treatment plant, which is located six miles north of Crestline on State Highway 138, within Section 10, T2N, R4W, SBB&M. The above-mentioned locations are shown on Attachment "A". The Cleghorn collection system, and the small Pilot Rock treatment plant, are owned and maintained by the California Department of Parks and Recreation, and the California Department of Forestry, respectively, and are regulated under separate waste discharge requirements.

7. Description of Facility and Discharge

The Crestline Sanitation District was formed in 1946 to provide sewer service to the Lake Gregory area and has since grown to serve other areas. The Huston Creek treatment plant is the largest District facility, and provides service to 75% of the sewered area within District boundaries. The remaining 25% of the sewered area within District boundaries is served by the Seeley Creek treatment plant. The Cleghorn treatment plant is owned and operated by the Discharger, but serves areas outside of District boundaries. The combined discharge, including treated effluent from the Pilot Rock treatment plant, consists of sewage collected primarily from residential, recreational, and resort facilities which is treated to secondary level, disinfected, and disposed (reclaimed).

8. Sludge Treatment and Disposal

Primary and secondary sludge from the Seeley Creek, Cleghorn, and Pilot Rock treatment plants is currently hauled by the Discharger to a sludge dewatering facility at the Huston Creek plant, where it is mixed with Huston Creek plant sludge in an aerobic sludge thickener tank and, if necessary, injected with a 50% solution of hydrogen

Flows to the Discharger's treatment plants vary seasonally. Wet-weather flows typically occur in February, March, and April, and may more than double dry-weather flows due to the influence of infiltration of the collection system by snowmelt and runoff. In addition, District-wide high flows may occur in July, August, and September due to full use of summer camping areas and increased occupancy by absentee homeowners. Wet-day and dry-day flows (based on March and September 1993 monthly averages) are tabulated below for each plant.

Facility	Current Flow (Dry/Wet)
Huston Creek	0.40 mgd / 0.73 mgd
Seeley Creek	0.15 mgd / 0.28 mgd
Cleghorn	0.017 mgd / 0.024 mgd
Pilot Rock	0.009 mgd / 0.010 mgd

The disinfected secondary effluent from the treatment plants is discharged to a common 11-mile-long, 12-inch to 24-inch diameter, outfall pipeline which conveys the wastewater out of the Silverwood Lake watershed to the reclamation site and Rancho Las Flores, located below Silverwood Lake and adjacent to the West Fork of the Mojave River.

10. Authorized Disposal Sites

The Discharger's ~~six~~ 12-acre reclamation site and Rancho Las Flores are the authorized disposal sites for wastewater. Under emergency conditions, the Discharger is authorized to utilize the 12-acre emergency disposal site containing the sand percolation beds. In addition, the Discharger is authorized to use treated and disinfected wastewater for on-site landscape irrigation of approximately one acre of land at the Huston Creek plant and approximately one acre of land at the Seeley Creek plant. The Curti composting facility in San Timoteo Canyon is currently the only authorized disposal site for sludge. The authorized disposal sites are located on land owned and/or administered as follows: Rancho Las Flores is owned by John Plunkett; the reclamation site and the emergency disposal site are located on land owned by the Crestline Sanitation District; the sludge disposal site is located on private lands controlled by Larry Curti. The Discharger currently maintains an unlined storage pond at the Huston Creek plant, and another unlined pond approximately 1500 feet downgradient from the Seeley Creek plant. These ponds are not authorized disposal sites, and any discharge to these ponds constitutes a violation of waste discharge requirements and applicable waste discharge prohibitions.

peroxide to rapidly oxidize the waste and control odors. Current plans are to replace the hydrogen peroxide system with a potassium permanganate system. The Discharger also accepts septage from private septic tank pumper trucks at the Huston Creek plant, and receives approximately 0.16 million gallons of septage per year, primarily in the summer months. Each month, an average of 18 pumper trucks discharge their septage load to a manhole located just upstream of the Huston Creek plant where the septage receives secondary treatment. The combined sludge is dewatered to approximately 30 to 35 percent solids content using a belt press filter and transported by the Discharger to a private composting facility in San Timoteo Canyon owned by Mr. Larry Curti, L. Curti Truck and Equipment Company, and operated under requirements issued by the Santa Ana Regional Water Quality Control Board. The Discharger is currently exploring other permanent solutions for final disposal of sludge, and may utilize alternative sludge treatment and disposal methods and/or areas pending further study.

9. Disposal Area

The Discharger collects, treats and disposes of domestic sewage and septage. Two pump stations and nearly 73 miles of 6 to 8-inch-diameter sewer mains constitute the collection systems. Schematic flow diagrams for the treatment plants operated by the Discharger are shown in Attachment "B" of this Order. The design capacities, and treatment processes for the treatment plants are as follows:

Facility	Design Capacity (Average/Peak)	Treatment Processes
Huston Creek	0.7 mgd / 2.5 mgd	Primary Clarification Fixed-Film Secondary Chlorination
Seeley Creek	0.5 mgd / 1.0 mgd	Primary Clarification Fixed-Film Secondary Chlorination
Cleghorn	0.2 mgd / 0.4 mgd	Extended-Aeration Activated Sludge Secondary Clarification Chlorination
Pilot Rock	0.010 mgd (peak)	Activated Sludge (Package) Chlorination
District Outfall Pipeline	5.0 mgd / 7.5 mgd	Conveyance

11. Reclamation Regulations

The State Department of Health Services has established statewide reclamation criteria for the use of reclaimed water for flood irrigation of agricultural pasture land vegetated with fodder, fiber or seed crops. All effluent made available for reclamation is to comply with standard Department of Health Services Reclamation Requirements as specified in Chapter 3, Division 4, Title 22, California Code of Regulations.

In accordance with Section 13523 of the California Water Code, the Regional Board consulted with and received the recommendations of the State Department of Health Services concerning reclamation requirements which are incorporated within this Order.

12. Site Geology

The Discharger has facilities located within the Crestline, Lake Gregory, and Silverwood Lake areas of the San Bernardino Mountains. The major portion of this mountain range is a block of basement rocks of the Mojave Desert region which have been elevated by the San Andreas Fault Zone and partially overlain by late Cenozoic valley deposits and basalt.

The area is prone to seismic activity and severe groundshaking; the most significant known fault within the immediate geographic area is the San Andreas Fault, located through Cajon Pass east of Crestline, and southeast along the base of the San Bernardino Mountains. The soils in the mountainous areas of the District are rocky and granitic, while soils in the reclamation area are alluvium and consist primarily of sands and gravels.

13. Site Hydrology

The Discharger has facilities located within the Crestline, Lake Gregory and Silverwood Lake areas. Treatment plants are located near Huston Creek, Seeley Creek, and the West Fork of the Mojave River above Silverwood Lake (Cleghorn), respectively. Average annual precipitation rates range from 40 inches at the higher elevations (Crestline) to 20 inches at the lower elevations (Silverwood Lake/Rancho Las Flores). The Discharger's greatest problems occur from inflow and infiltration of the collection systems, which has resulted in combined flows in excess 4 mgd at the reclamation outfall, well above treatment plant capacities. Spills of raw and/or treated sewage have occurred to Lake Gregory and the West Fork of the Mojave River below Silverwood Lake, near the reclamation site. The Discharger currently performs monthly surface water quality monitoring of Huston Creek, Seeley Creek, and Dart Creek for methylene blue active substances, fecal streptococci, fecal coliform, and total coliform, and carries out semi-annual municipal supply water monitoring for total dissolved solids, chloride, sodium, and sulfate (as required by the Regional Board). Surface water resources, particularly at the higher elevations, are considered to be relatively pristine, and of high quality. Lake Gregory reservoir, near Crestline, is drained by Huston Creek to the East Fork of the West Fork of the Mojave River; the Seeley Creek watershed also drains to the East Fork

of the West Fork of the Mojave River. Both the East Fork of the West Fork of the Mojave River, and the (upper) West Fork of the Mojave River enter Silverwood Lake. The (lower) West Fork of the Mojave River flows to the northeast from the dam at Silverwood Lake.

14. Site Hydrogeology

Subsurface hydrology varies widely within the District's sphere of influence. Nonwater-bearing rock and water-bearing sediments are found at the higher elevations. Lake deposits and evaporite in the reclamation areas have ground water levels ranging from approximately 3 to 25 feet below ground surface. Ground water quality is excellent for all beneficial uses, with total dissolved solids concentrations in the range of 200-300 mg/l.

15. Receiving Waters

The receiving waters are the ground waters of the South Lahontan Hydrologic Basin, Mojave Hydrologic Unit, Upper Mojave Hydrologic Area (Department of Water Resources Hydrologic Unit No. 628.20).

16. South Lahontan Basin Plan

The Regional Board adopted a Water Quality Control Plan for the South Lahontan Basin (Basin Plan) on May 8, 1975 and this Order implements the Basin Plan as amended.

17. Beneficial Uses

The beneficial uses of the ground waters of the South Lahontan Hydrologic Basin, Mojave Hydrologic Unit, Upper Mojave Hydrologic Area as set forth and defined in the Basin Plan are:

a. municipal and domestic supply
b. agricultural supply
c. industrial service supply
d. freshwater replenishment

18. Constituents of Concern and Monitoring Parameters

The Discharger has a history of past violations of effluent limitations for total dissolved solids, chloride, sulfate, and sodium. The Discharger's treatment processes are unable to effectively remove these constituents, which are contained in supply waters. The effluent limitations specified in this Order are revised, and do not include effluent limitation specifications for the above-mentioned constituents. However, receiving water limitations for ground water require that the discharge shall not result in ground water having concentrations of these chemicals in violation of drinking water standards. The Discharger will continue to monitor and report the concentration of the above-named

constituents in the supply water, the effluent discharged to the Rancho Las Flores area, and the ground water in the vicinity of the reclamation site. In addition to the above-mentioned violations, the Discharger has also violated the effluent limitation for methylene blue active substances. The limitation for methylene blue active substances will remain in effect and the Discharger may be liable for violations of this limitation.

19. California Environmental Quality Act Compliance

The Facilities which these waste discharge requirements regulate are existing facilities which the Discharger is currently operating and are therefore exempt from the provisions of the California Environmental Quality Act (Public Resources Code, § 21000, et seq.).

20. Notification of Interested Parties

The Regional Board has notified the Discharger and interested parties of its intent to update waste discharge requirements for the discharge.

21. Consideration of Public Comments

The Regional Board, in a public meeting, heard and considered all comments pertaining to the discharge.

IT IS HEREBY ORDERED that the Discharger shall comply with the following:

I. DISCHARGE SPECIFICATIONS

A. Effluent/Discharge Limitations

1. The total effluent flow of wastewater, in million gallons, during a 24-hour period shall not exceed average design capacity for any treatment Facility as specified in Finding No. 9 of this Order.

2. The maximum (peak) instantaneous flowrate of wastewater, in million gallons per day, shall not exceed peak design capacity for any treatment or disposal facility as specified in Finding No. 9 of this Order.

3. All wastewater made available for percolation at the authorized disposal sites shall not contain pollutant concentrations in excess of the following limits:

Parameter	Units	Mean[1]	Maximum
BOD[2]	mg/l	30	45
MBAS[3]	mg/l	1.0	2.0

4. All wastewater made available for percolation at the authorized disposal site shall have a pH of not less than 6 pH units nor more than 9 pH units.

5. All wastewater made available for percolation at the authorized disposal site shall have a dissolved oxygen concentration not less than 1.0 mg/l.

6. Reclaimed water used for landscape irrigation shall be at all times an adequately disinfected, oxidized wastewater. The wastewater shall be considered adequately disinfected if the median number of coliform organisms in the effluent does not exceed 23 per 100 milliliters, as determined from the bacteriological results of the last 7 days for which analyses have been completed, and the number of coliform organisms does not exceed 240 per 100 milliliters in any two consecutive samples.

   If reclaimed water is used for the irrigation of pasture to which milking cows or goats have access, the wastewater shall be at all times an adequately disinfected, oxidized wastewater. The wastewater shall be considered adequately disinfected if at some location in the treatment process the median number of coliform organisms does not exceed 23 per 100 milliliters, as determined from the bacteriological results of the last 7 days for which analyses have been completed

B. Receiving Water Limitations

The discharge of waste shall not cause the presence of the following substances or conditions in ground waters of the Mojave Hydrologic Unit, Upper Mojave Hydrologic Area:

1. Any perceptible color, odor, taste or foaming.

2. Coliform organisms attributable to human wastes.

3. Toxic substances in concentrations that individually, collectively, or cumulatively cause detrimental physiological responses in human, plants, animals, or aquatic life.

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[1] The arithmetic mean of lab results for effluent samples collected in a period of 30 consecutive days.

[2] Biochemical Oxygen Demand (5 day, 20°C) of an unfiltered sample.

[3] Methylene Blue Active Substances

4. Identifiable chlorinated hydrocarbons, organophosphates, carbamates, and other pesticide and herbicide groups, in summations, in excess of the lowest detectable levels.

5. Concentrations of chemical constituents in excess of the maximum contaminant levels or secondary maximum contaminant levels based upon drinking water standards specified by the more restrictive of the California Code of Regulations, Title 22, Division 4, Chapter 15, or 40 CFR, Part 141.

C. Reclamation Requirements

1. All effluent made available for reclamation shall comply with standard Department of Health Services Reclamation Requirements as specified in Chapter 3, Division 4, Title 22 of the California Code of Regulations.

2. Reclaimed water used for spray irrigation of fodder, fiber and seed crops shall contain not more than 0.5 ml/l per hour of settleable solids.

3. The irrigation sites shall be graded to prevent persistent ponding of wastewater which is capable of promoting the breeding of mosquitoes.

4. The irrigation sites shall be properly fenced and posted to restrict public access and warn of the presence of sewage.

D. General Requirements and Prohibitions

1. There shall be no discharge, bypass, or diversion of raw or partially treated sewage, sewage sludge, grease, or oils from the collection, transport, treatment, or disposal facilities to adjacent land areas or surface waters.

2. Surface flow or visible discharge of sewage or sewage effluent at, or from, the authorized disposal sites to adjacent land areas or surface waters is prohibited.

3. The vertical distance between the liquid surface elevation and the lowest point of a pond dike or the invert of an overflow structure shall not be less than two (2) feet.

4. The discharge shall not cause a pollution as defined in Section 13050 of the California Water Code, or a threatened pollution.

5. Neither the treatment nor the discharge shall cause a nuisance as defined in Section 13050 of the California Water Code.

6. The discharge of wastewater except to the authorized disposal site is prohibited.

7. The integrity of any pond liners, if present, shall be maintained throughout the life of the ponds and shall not be diminished as the result of any maintenance or cleaning operation.

II. PROVISIONS

A. Rescission of Waste Discharge Requirements

Board Order No. 6-85-25 is hereby rescinded.

B. Standard Provisions

The Discharger shall comply with the "Standard Provisions for Waste Discharge Requirements," dated July 1, 1993, in Attachment "C", which is made part of this Order.

C. Monitoring and Reporting

1. Pursuant to Section 13267(b) of the California Water Code, the Discharger shall comply with the Monitoring and Reporting Program No. 94-57 as specified by the Executive Officer.

2. The Discharger shall comply with the "General Provisions for Monitoring and Reporting," dated July 1, 1993, which is attached to and made part of the Monitoring and Reporting Program.

D. Time Schedule Compliance

The Discharger shall comply with time schedules contained in the Monitoring and Reporting Program:

1. The Discharger shall submit a Sludge Management Plan by not later than January 1, 1995.

2. The Discharger shall fully implement a revised ground water monitoring system plan, as described in the Monitoring and Reporting Program, by not later than January 1, 1995.

E. Operator Certification

The Discharger's wastewater treatment plant shall be supervised by persons possessing a wastewater treatment plant operator certificate of appropriate grade pursuant to Title 23, California Code of Regulations, Division 4, Chapter 14, Section 3670 et. seq.

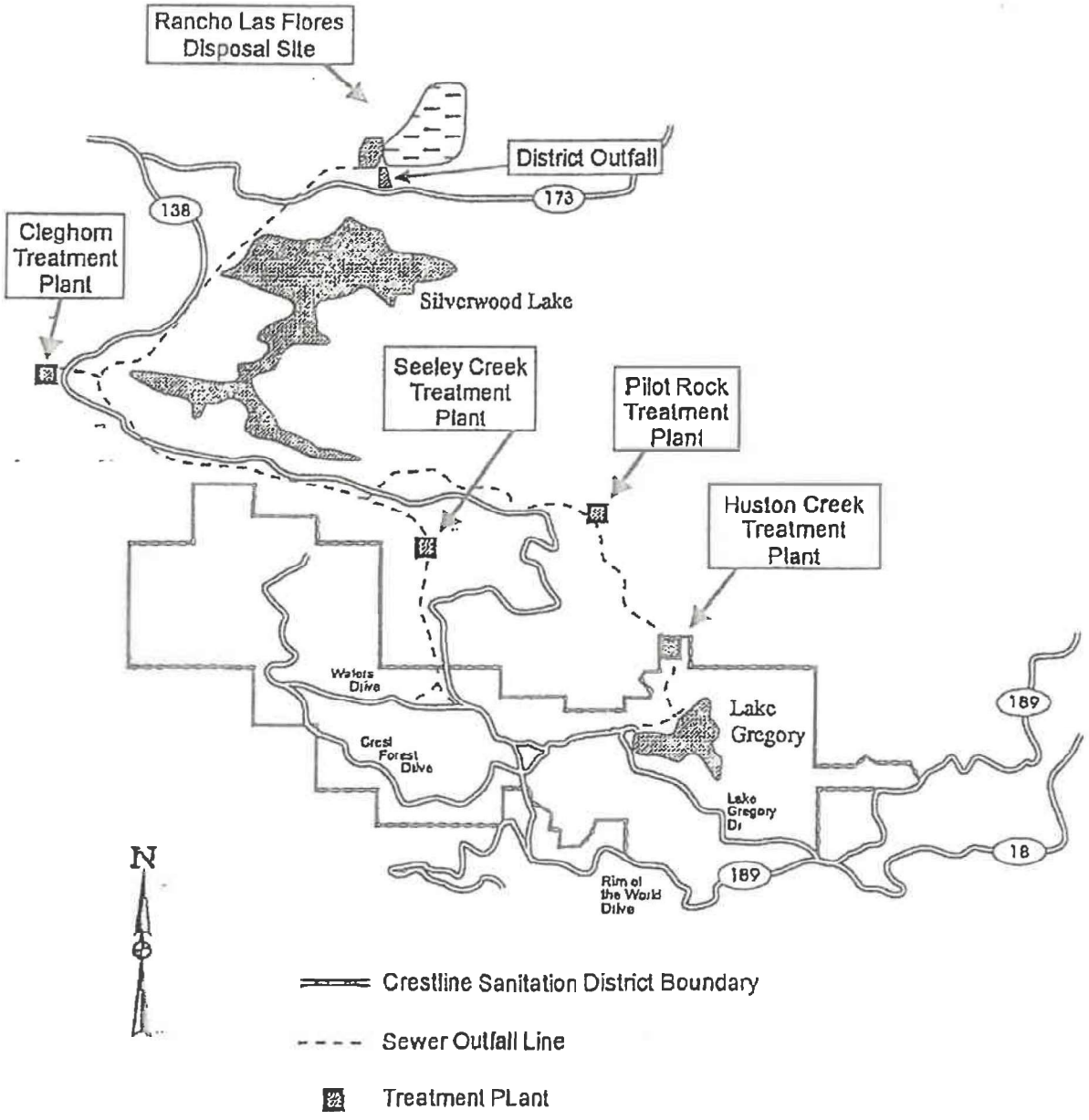
I, Harold J. Singer, Executive Officer, do hereby certify that the foregoing is a full, true, and correct copy of an Order adopted by the California Regional Water Quality Control Board, Lahontan Region, on May 19, 1994.

Harold J. Singer

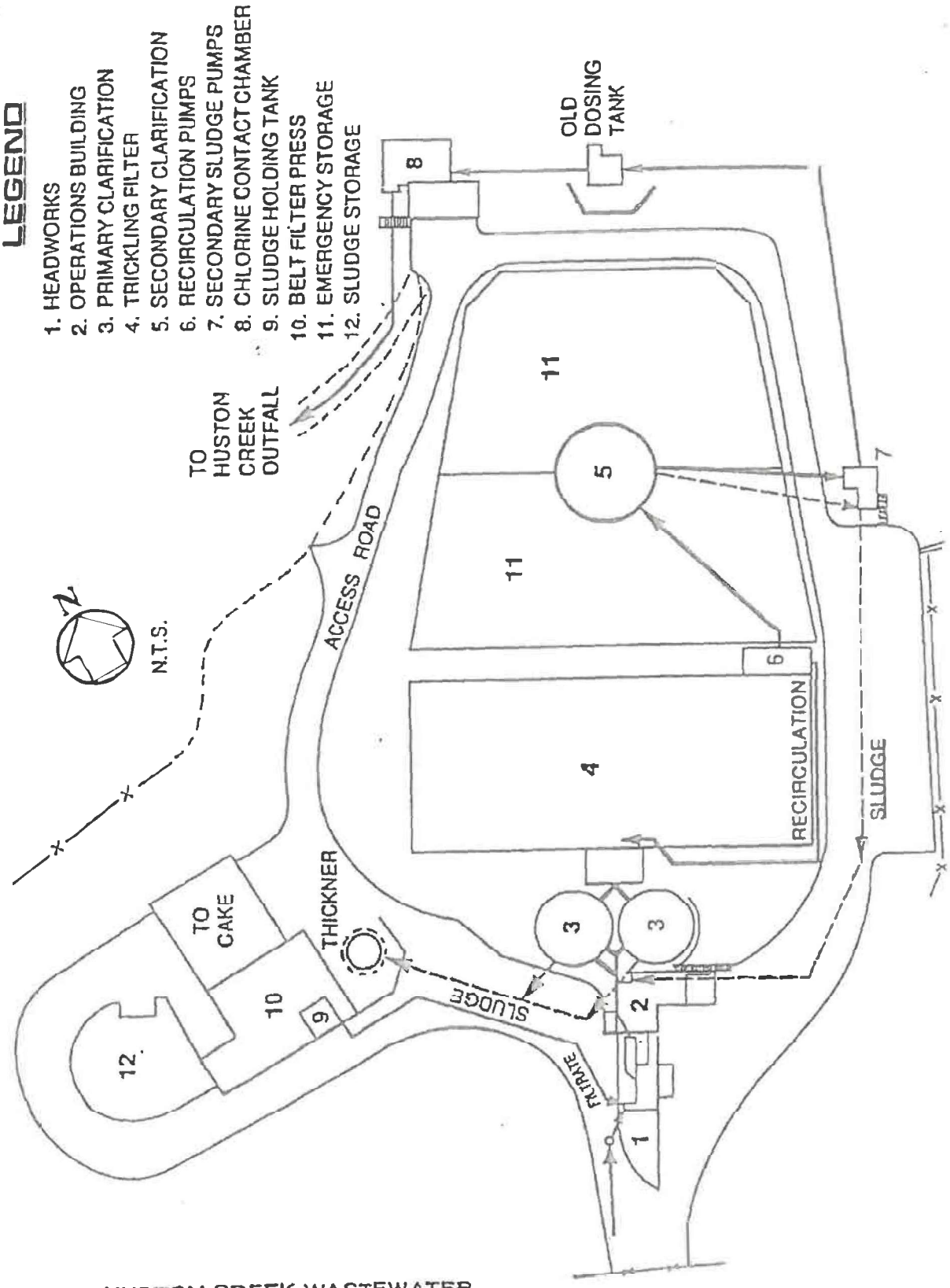
HAROLD J. SINGER
EXECUTIVE OFFICER

Attachments: A. Location Map
B. Treatment Plant Flow Schematics
C. Standard Provisions for Waste Discharge Requirement

Attachment "A"
Crestline Sanitation District
Wastewater Treatment Plants
Wastewater Disposal Sites

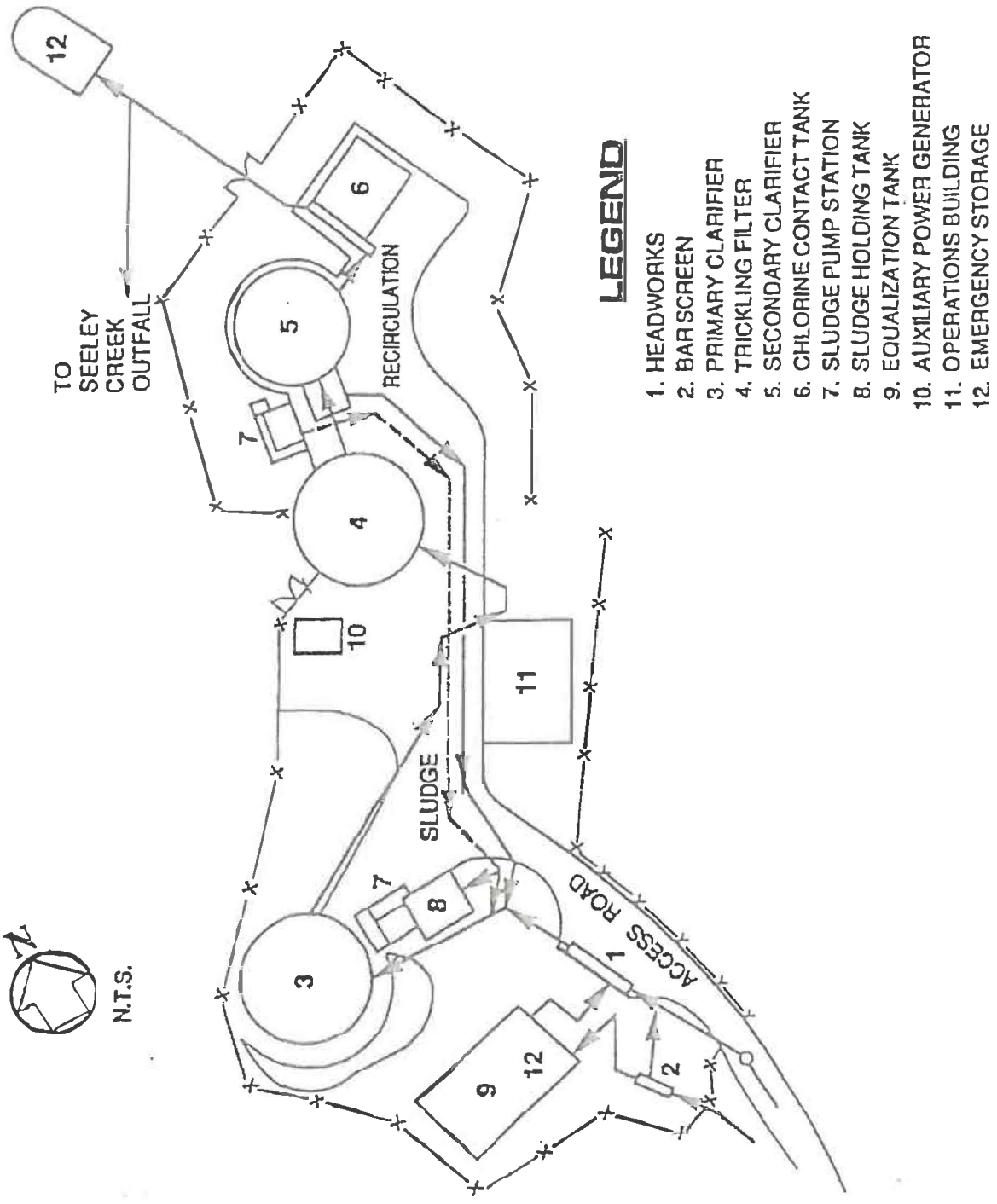


ATTACHMENT "B": TREATMENT PLANT FLOW SCHEMATICS



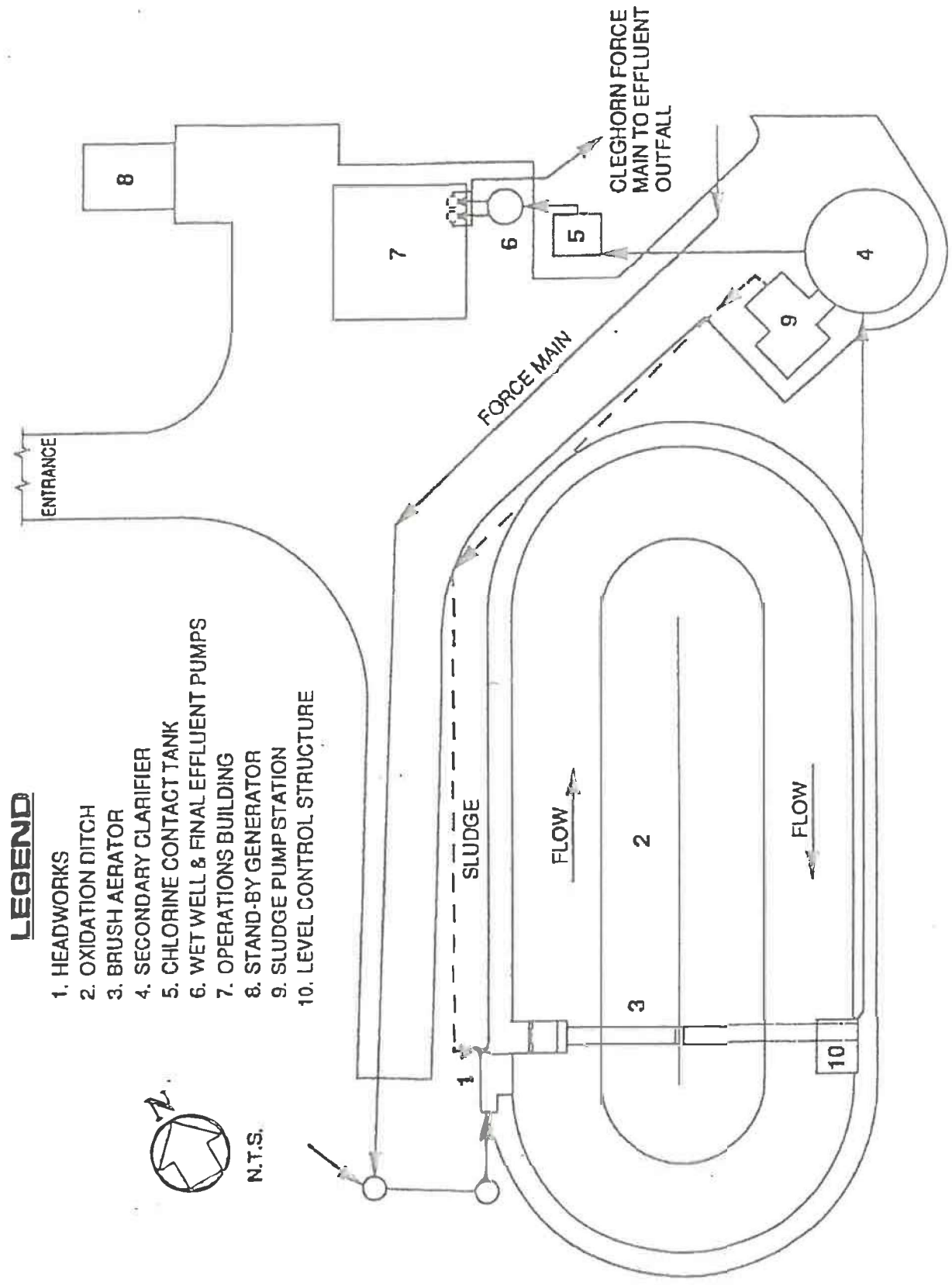
HUSTON CREEK WASTEWATER
TREATMENT PLANT

ATTACHMENT "B": TREATMENT PLANT FLOW SCHEMATICS



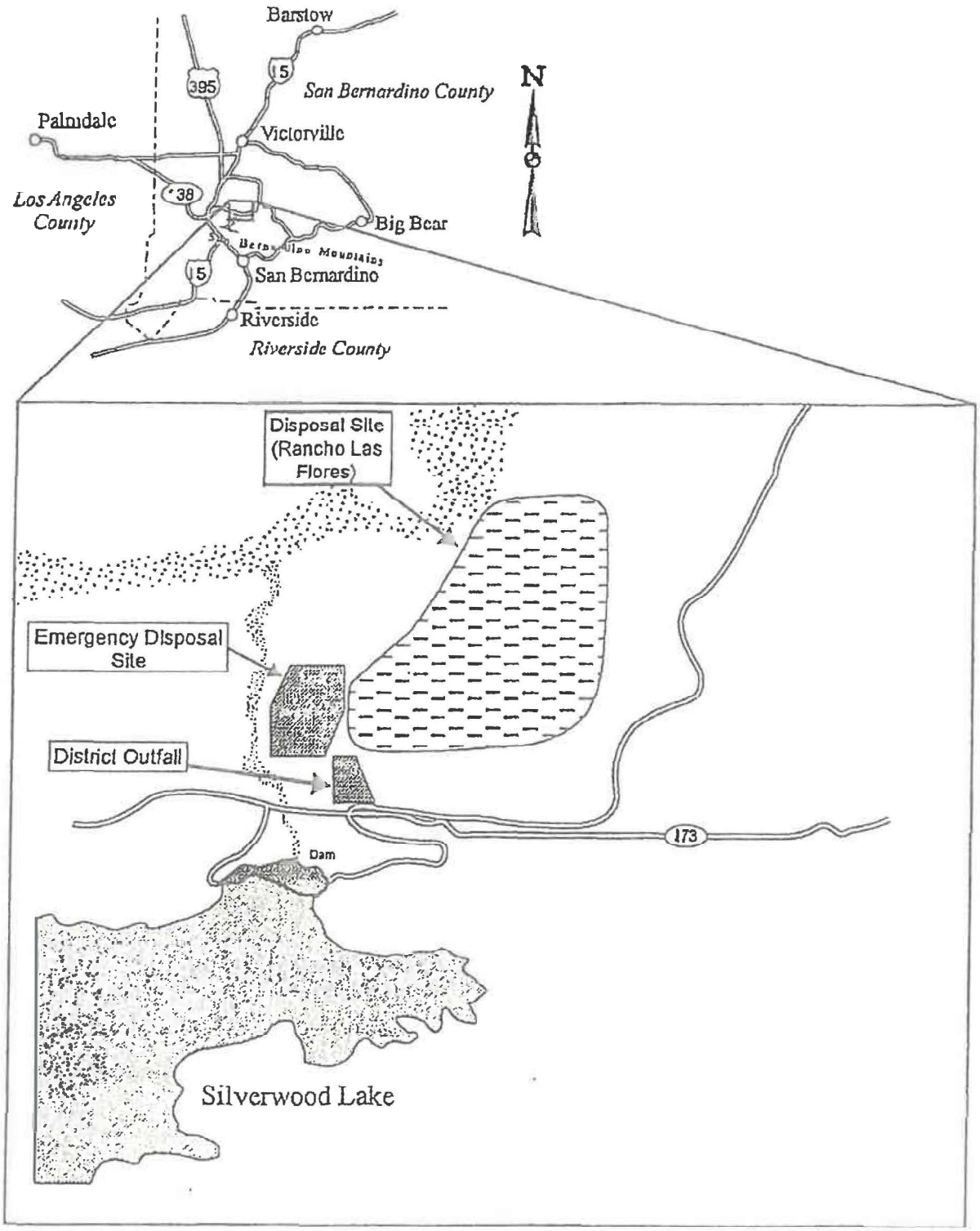
SEELEY CREEK WASTEWATER
TREATMENT PLANT

ATTACHMENT "B": TREATMENT PLANT FLOW SCHEMATICS
Page 3 of 4



CLEGHORN WASTEWATER TREATMENT PLANT

Attachment "B"
Rancho Las Flores Reclamation Area
Page 4 of 4



Attachment "C"

STANDARD PROVISIONS
FOR WASTE DISCHARGE REQUIREMENTS

1. Inspection and Entry

The discharger shall permit Regional Board staff:

a. to enter upon premises in which an effluent source is located or in which any required records are kept;

b. to copy any records relating to the discharge or relating to compliance with the waste discharge requirements;

c. to inspect monitoring equipment or records; and

d. to sample any discharge.

2. Reporting Requirements

a. Pursuant to California Water Code 13267(b), the discharger shall immediately notify the Board by telephone whenever an adverse condition occurred as a result of this discharge; written confirmation shall follow within two weeks. An adverse condition includes, but is not limited to, spills of petroleum products or toxic chemicals, or damage to control facilities that could affect compliance.

b. Pursuant to California Water Code Section 13260 (c), any proposed material change in the character of the waste, manner or method of treatment or disposal, increase of discharge, or location of discharge, shall be reported to the Regional Board at least 120 days in advance of implementation of any such proposal. This shall include, but not be limited to, all significant soil disturbances.

c. The owners/discharger of property subject to waste discharge requirements shall be considered to have a continuing responsibility for ensuring compliance with applicable waste discharge requirements in the operations or use of the owned property. Pursuant to 13260(c), any change in the ownership and/or operation of property subject to the waste discharge requirements shall be reported to the Regional Board. Notification of applicable waste discharge requirements shall be furnished in writing to the new owners and/or operators and a copy of such notification shall be sent to the Regional Board.

d. If a discharger becomes aware that any information submitted to the Regional Board is incorrect, the discharger shall immediately notify the Regional Board, in writing, and correct that information.

e. Reports required by the waste discharge requirements, and other information requested by the Regional Board, must be signed by a duly authorized representative of the discharger.

f. If the discharger becomes aware that their waste discharge requirements are no longer needed (because the project will not be built or the discharge will cease) the discharger shall notify the Regional Board in writing and request that their waste discharge requirements be rescinded.

3. Right to Revise Waste Discharge Requirements

The Board reserves the privilege of changing all or any portion of the waste discharge requirements upon legal notice to and after opportunity to be heard is given to all concerned parties.

4. Duty to Comply

Failure to comply with the waste discharge requirements may constitute a violation of the California Water Code and is grounds for enforcement action or for permit termination, revocation and reissuance, or modification.

5. Duty to Mitigate

The discharger shall take all reasonable steps to minimize or prevent any discharge in violation of the waste discharge requirements which has a reasonable likelihood of adversely affecting human health or the environment.

6. Proper Operation and Maintenance

The discharger shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) that are installed or used by the discharger to achieve compliance with the waste discharge requirements. Proper operation and maintenance includes adequate laboratory control, where appropriate, and appropriate quality assurance procedures. This provision requires the operation of backup or auxiliary facilities or similar systems that are installed by the discharger, when necessary to achieve compliance with the conditions of the waste discharge requirements.

7. Waste Discharge Requirement Actions

The waste discharge requirements may be modified, revoked and reissued, or terminated for cause. The filing of a request by the discharger for waste discharge requirement modification, revocation and reissuance, termination, or a notification of planned changes or anticipated noncompliance, does not stay any of the waste discharge requirements conditions.

8. Property Rights

The waste discharge requirements do not convey any property rights of any sort, or any exclusive privileges, nor does it authorize any injury to private property or any invasion of personal rights, nor any infringement of federal, state or local laws or regulations.

9. Enforcement

The California Water Code provides for civil liability and criminal penalties for violations or threatened violations of the waste discharge requirements including imposition of civil liability or referral to the Attorney General.

10. Availability

A copy of the waste discharge requirements shall kept and maintained by the discharger and be available at all times to operating personnel.

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

BUSINESS REPLY MAIL
First Class Permit No. 5219 Sacramento, CA 95812

Postage will be paid by addressee

Mr. James M. Strock
Secretary for Environmental Protection
California Environmental Protection Agency
555 Capitol Mall, Suite 235
Sacramento, CA 95814

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

555 Capitol Mall, Suite 235, Sacramento, CA 95814 (916) 445-3846

CUSTOMER SERVICE SURVEY: PERMIT/LICENSING PROCESS

ur goal is to provide the public with the best possible service. Recognizing that sometimes we succeed and at times we will fall short, we want to know how well you feel we are doing. Please take a few minutes to answer the questions below, fold the sheet as indicated, and send your comments directly to me. Your comments will help us serve you and others better. Thank you.

– James M. Strock, Secretary for Environmental Protection

Which office did you contact?

- ☐ Office of the Cal/EPA Secretary (Sacramento)
- ☐ Air Resources Board
  - ☐ Headquarters (Sacramento)
  - ☐ El Monte Laboratory
- ☐ Department of Toxic Substances Control
  - ☐ Headquarters (Sacramento)
  - ☐ Berkeley, Region 2 Office
  - ☐ Clovis Satellite Office
  - ☐ Glendale, Region 3 Office
  - ☐ Long Beach, Region 4 Office
  - ☐ Sacramento, Region 1 Office
- ☐ Department of Pesticide Regulation
  - ☐ Headquarters (Sacramento)
  - ☐ Anaheim District Office
  - ☐ Berkeley District Office
  - ☐ Fresno District Office
  - ☐ Sacramento District Office
- ☐ Integrated Waste Management Board
  - ☐ Headquarters (Sacramento)
  - ☐ Fullerton
  - ☐ Redlands
  - ☐ Valencia
- ☐ State Water Resources Control Board (Sacramento)
- ☐ Regional Water Quality Control Board
  - ☐ Fresno
  - ☐ Los Angeles
  - ☐ Oakland
  - ☐ Palm Desert
  - ☐ Redding
  - ☐ Riverside
  - ☐ Sacramento
  - ☐ San Diego
  - ☐ San Luis Obispo
  - ☐ Santa Rosa
  - ☐ South Lake Tahoe
  - ☐ Victorville

	No Opinion	Strongly Agree	Agree	Disagree	Strongly Disagree
Staff was courteous.					
Staff was professional.					
Staff was knowledgeable.					
Adequate responses were given to requests for assistance.					
Timely responses were given to requests for assistance.					
The regulations and application instructions are clear.					
Where the regulations and instructions are not clear, further explanations were given.					
The permit/license terms and conditions are understandable.					

Are there any staff persons you would like to commend? _____

Do you have any comments or suggestions on how we can improve our service:

If you would like to speak to a manager directly, please provide your name, organization, and telephone number:

Printed on Recycled Paper

Parameter	Units
Total Dissolved Solids	mg/l
Chloride	mg/l
Sodium	mg/l
Sulfate	mg/l

The following methods of obtaining a representation of the above chemical constituents in the municipal water will be considered acceptable:

1. Analyze a Composite Sample of the different water sources used in the sewered area; the composite sample shall be weighted in proportion to the estimated semi-annual volume of water contributed to the sewer system by each municipal water source.

2. Perform a Mass Balance of the different water sources in the sewered area; mathematically calculate the expected (mixed) constituent concentrations by using laboratory analyses of the constituent concentrations of the individual source waters, and estimated volumes of water contributed semi-annually to the sewer system from each water source.

C. Plant Effluent Monitoring

1. Beginning immediately, 24-hour composite samples of the effluent from the combined outfall for the wastewater treatment facilities shall be collected and analyzed to determine the magnitude of the following parameters:

Parameter	Units	Frequency
Biochemical Oxygen Demand	mg/l	Twice per Month
Chemical Oxygen Demand	mg/l	Twice per Month
Methylene Blue Active Substances[1]	mg/l	Twice per Month
pH	pH units	Twice per month
Oil & Grease	mg/l	Twice per month
Kjeldahl Nitrogen	mg/l as N	Monthly
Nitrate Nitrogen	mg/l as N	Monthly
Ammonia Nitrogen	mg/l as N	Monthly
Total Dissolved Solids	mg/l	Semiannually
Chloride	mg/l	Semiannually
Sodium	mg/l	Semiannually
Sulfate	mg/l	Semiannually

[1] Testing shall also be performed at the outfall from each individual treatment plant.

Parameter	Units	Frequency
Boron	mg/l	Semiannually
Fluoride	mg/l	Semiannually
Total Cyanides	mg/l	Annually
Total Phenols	mg/l	Annually
Purgeable Organics*	mg/l	Annually
Base/Neutral/Acid Extractable Organics*	mg/l	Annually
Heavy Metals*	mg/l	Annually
Total Petroleum Hydrocarbons	mg/l	Annually

* Analysis shall be conducted for those substances included on the EPA list of priority pollutants and all other toxic substances known to be discharged to the Discharger's system using EPA test methods 603,608, 624, 625, and other appropriate tests for heavy metals.

2. Beginning immediately, grab samples of chlorinated effluent discharged from each treatment plant, and the combined outfall at the reclamation site, shall be collected and analyzed to determine the magnitude of the following parameter:

Parameter	Units	Frequency
Total Coliform	MPN[2]	Twice Weekly[3]

D. Ground Water Monitoring

1. A system of ground water monitoring wells shall be located or installed in the vicinity of the reclamation site/Rancho Las Flores. The ground water monitoring system, at a minimum, shall include the following:

   a. A minimum of three monitoring wells shall be installed or located such that the hydraulic gradient of the ground water may be determined. Existing ground water monitoring wells may be included in the total if the Discharger can verify that the following conditions are met:

      (1) At least one well is located upgradient of the disposal area such that the ground water will not be impacted by the Discharger's waste discharges.

      (2) At least two wells are located downgradient of the disposal area such that ground water potentially impacted by the Discharger's waste discharges will be monitored.

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[2] Most Probable Number of Coliform Organisms per 100 ml of sample (MPN/100 ml)

[3] Frequency of testing shall be increased to daily if disinfection standards in Section I.A.6. of the waste discharge requirements are not achieved.

b. Additional wells shall be installed, if necessary, to ensure that the conditions (in 1.a.) above are met by the ground water monitoring system.

c. A report (for existing wells) or plan (for new wells) detailing the specific design and location of the wells shall be submitted to the Regional Board for review and approval by the Regional Board Executive Officer.

d. Ground water monitoring wells shall be installed in accordance with the approved plan, or verified to be in accordance with the above-mentioned conditions by January 1, 1995.

e. An as-built design report shall be submitted within 60 days after the ground water monitoring system is installed (or verified). This shall include a statement of certification signed by a California registered civil engineer or geologist regarding the placement, lithology and construction of the wells.

2. Ground water monitoring at existing monitoring wells (designated as Wells 1, 2, 3, and 4), and wells installed, or verified to be located in accordance with the above-mentioned conditions, shall be performed as described below. If existing monitoring wells are to be abandoned after new wells are approved and installed, at least 60 days prior to planned abandonment, the District must submit a plan detailing which wells are to be abandoned for approval by the Regional Board Executive Officer.

3. Beginning immediately, grab samples from the entire thickness or the upper 20 feet, whichever is less, of the uppermost ground water bearing zone shall be collected from the existing monitoring wells (and after January 1, 1995, any new wells) and analyzed to determine the magnitude of the following parameters:

Parameter	Units	Frequency
Sulfate	mg/l	Quarterly
Sodium	mg/l	Quarterly
Methylene Blue Active Substances	mg/l	Quarterly
Chloride	mg/l	Quarterly
Total Dissolved Solids	mg/l	Quarterly
Kjeldahl Nitrogen	mg/l	Quarterly
Ammonia Nitrogen	mg/l as N	Quarterly
Nitrate Nitrogen	mg/l as N	Quarterly
Purgeable Halocarbons*	µg/l	Annually
Purgeable Aromatics*	µg/l	Annually
Base/Neutral/Acid Extractable Organics*	µg/l	Annually

* Analysis shall be conducted for those substances included on the EPA list of priority pollutants and all other toxic substances known to be discharged to the Discharger's system using EPA test methods 603,608, 624, 625, and other appropriate tests for heavy metals.

a. The elevation (mean sea level), and depth below ground surface, of the ground water in each well shall be measured and recorded each time a monitoring well is sampled (prior to purging, as specified below).

b. Well Purging: Ground water samples shall be collected only after at least three volumes of water in the well casing have been removed and temperature, electroconductivity, and pH of water in the well have stabilized.

c. The velocity and direction of ground water flow under the disposal facility site shall be determined at least annually unless it can be shown that no changes have occurred.

E. Sludge Monitoring

1. The Discharger shall submit a Sludge Management Plan Report by January 1, 1995.

2. The Discharger shall provide an explanation of any deviations from the Sludge Management Plan.

3. Total quantity of sludge generated (cleaned from any ponds) during the monitoring period.

4. Date and quantity of any sludge landfilled or removed off site, location of use, recipient (including name and address) and sludge disposal method (including crops grown, if appropriate) for all sludge moved offsite.

5. Cumulative total quantity of sludge currently stockpiled on site, including the quantity of sludge added to the stockpile during this monitoring period.

6. Laboratory analysis of sludge is not required at this time in recognition that there are no significant industrial waste inputs to the sewer system, and because sludge sampling is required by the disposal facility which accepts the Discharger's sludge. The Regional Board may require qualitative laboratory testing of sludge if sludge disposal practices and/or locations, as disclosed in the waste discharge requirements, are altered.

II. REPORTING

A. General Provisions

The Discharger shall comply with the "General Provisions for Monitoring and Reporting," dated July 1, 1993, which is attached to and made part of this Monitoring and Reporting Program.

B. Submittal Periods

Beginning on the 15th day of the month following the adoption of this Order, a monitoring report including the preceding information shall be submitted to the Regional Board. Subsequent monitoring reports shall be submitted to the Regional Board by the 15th day of the month following each quarter.

Ordered by: Harold J. Singer Dated: May 19, 1994

HAROLD J. SINGER
EXECUTIVE OFFICER

Attachment: General Provisions for Monitoring and Reporting

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
LAHONTAN REGION

GENERAL PROVISIONS FOR MONITORING AND REPORTING

1. SAMPLING AND ANALYSIS

a. All analyses shall be performed in accordance with the current edition(s) of the following documents:

i. Standard Methods for the Examination of Water and Wastewater

ii. Methods for Chemical Analysis of Water and Wastes, EPA

b. All analyses shall be performed in a laboratory certified to perform such analyses by the California State Department of Health Services or a laboratory approved by the Regional Board Executive Officer. Specific methods of analysis must be identified on each laboratory report.

c. Any modifications to the above methods to eliminate known interferences shall be reported with the sample results. The method used shall also be reported. If methods other than USEPA approved methods or Standard Methods are used, the exact methodology must be submitted for review and must be approved by the Regional Board Executive Officer prior to use.

d. The discharger shall establish chain-of-custody procedures to insure that specific individuals are responsible for sample integrity from commencement of sample collection through delivery to an approved laboratory. Sample collection, storage and analysis shall be conducted in accordance with an approved Sampling and Analysis Plan (SAP). The most recent version of the approved SAP shall be kept at the facility.

e. The discharger shall calibrate and perform maintenance procedures on all monitoring instruments and equipment to ensure accuracy of measurements, or shall insure that both activities will be conducted. The calibration of any wastewater flow measuring device shall be recorded and maintained in the permanent log book.

f. A grab sample is defined as an individual sample collected in fewer than 15 minutes.

g. A composite sample is defined as a combination of no fewer than eight individual samples obtained over the specified sampling period at equal intervals. The volume of each individual sample shall be proportional to the discharge flow rate at the time of sampling. The sampling period shall equal the discharge period, or 24 hours, whichever period is shorter.

2. OPERATIONAL REQUIREMENTS

a. Sample Results

Pursuant to California Water Code Section 13267(b), a copy of all sample results shall be available to the plant operator and/or Regional Board staff for inspection. The results shall be retained for a minimum of three years.

b. Operational Log

Pursuant to California Water Code Section 13267(b), an operation and maintenance log shall be maintained at the facility. All monitoring and reporting data shall be recorded in a permanent log book.

3. REPORTING

a. For every item where the requirements are not met, the discharger shall submit a statement of the actions undertaken or proposed which will bring the discharge into full compliance with requirements at the earliest time and submit a timetable for correction.

b. The discharger shall maintain all sampling and analytical results, including strip charts; date, exact place, and time of sampling; date analyses were performed; sample collector's name; analyst's name; analytical techniques used; and results of all analyses. Such records shall be retained for a minimum of three years. This period of retention shall be extended during the course of any unresolved litigation regarding this discharge or when requested by the Regional Board.

c. The discharger shall provide a brief summary of any operational problems and maintenance activities to the Board with each monitoring report. Any modifications or additions to, or any major maintenance conducted on, or any major problems occurring to the wastewater conveyance system, treatment facilities, or disposal facilities shall be included in this summary.

d. Monitoring reports shall be signed by:

i. In the case of a corporation, by a principal executive officer at least of the level of vice-president or his duly authorized representative, if such representative is responsible for the overall operation of the facility from which the discharge originates;

ii. In the case of a partnership, by a general partner;

iii. In the case of a sole proprietorship, by the proprietor;

iv. In the case of a municipal, state or other public facility, by either a principal executive officer, ranking elected official, or other duly authorized employee.

e. Monitoring reports are to include the following:

i. Name and telephone number of individual who can answer questions about the report.

ii. The Monitoring and Reporting Program Number.

iii. WDID Number.

f. Annual Report

By January 30 of each year, the discharger shall submit an annual report to the Board with the following information:

i. The compliance record and corrective actions taken or planned which may be needed to bring the discharge into full compliance with the discharge requirements.

ii. Graphical and tabular data for the monitoring data obtained for the previous year.

g. Modifications

This Monitoring and Reporting Program may be modified at the discretion of the Regional Board Executive Officer.

4. NONCOMPLIANCE

a. Any person failing or refusing to furnish technical or monitoring reports or falsifying any information provided therein, is guilty of a misdemeanor and may be liable civilly in an amount of up to one thousand dollars ($1,000) for each day of violation under Section 13268 of the Water Code.

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
LAHONTAN REGION

MONITORING AND REPORTING PROGRAM NO. 94-57
WDID NO. 6B360106001

FOR

CRESTLINE SANITATION DISTRICT

San Bernardino County

I. MONITORING

A. Flow Monitoring

The Discharger shall monitor the following:

1. The total volume, in million gallons, of wastewater flow to each treatment facility for each day.

2. The total volume, in million gallons, of wastewater flow to each treatment facility for each month.

3. The average flow rate, in million gallons per day (mgd), of wastewater to each treatment facility calculated for each month.

4. The maximum instantaneous flow rate, in million gallons per day (mgd), of wastewater to each treatment facility that occurs each day.

5. The total volume, in million gallons, of wastewater flow to each disposal facility for each month.

6. The freeboard (distance from the top of the lowest part of the dike to the wastewater surface in the pond) measured each month in each surface impoundment. If a surface impoundment does not contain wastewater, indicate that it is empty.

B. Supply Water Monitoring

A chemical analysis of supply water which is representative of the municipal water used within the District's sewered area shall be performed twice annually, at approximate six-month intervals, and submitted to the Regional Board within 30 days of the analysis. The estimated volume (in millions of gallons) of water contributed to the sewer system by each municipal source shall be recorded for each semi-annual period. Municipal water samples for this analysis shall be collected within 7 days of the time effluent samples are collected. The chemical analysis shall include the following parameters:

11. Severability

Provisions of the waste discharge requirements are severable. If any provision of the requirements is found invalid, the remainder of the requirements shall not be affected.

12. Public Access

General public access shall be effectively excluded from treatment and disposal facilities.

13. Transfers

Providing there is no material change in the operation of the facility, this Order may be transferred to a new owner or operation. The owner/operator must request the transfer in writing and receive written approval from the Regional Board Executive Officer.

14. Definitions

a. "Surface waters" as used in this Order, include, but are not limited to, live streams, either perennial or ephemeral, which flow in natural or artificial water courses and natural lakes and artificial impoundments of waters. "Surface waters" does not include artificial water courses or impoundments used exclusively for wastewater disposal.

b. "Ground waters" as used in this Order, include, but are not limited to, all subsurface waters being above atmospheric pressure and the capillary fringe of these waters.

15. Storm Protection

All facilities used for collection, transport, treatment, storage, or disposal of waste shall be adequately protected against overflow, washout, inundation, structural damage or a significant reduction in efficiency resulting from a storm or flood having a recurrence interval of once in 100 years.

EXHIBIT C

07/17/1997

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
LAHONTAN REGION

BOARD ORDER NO. 6-96-24A1
WDID NO. 6B361018001

WATER RECYCLING REQUIREMENTS

FOR

RANCHO LAS FLORES
WASTEWATER RECYCLING[1] SITE

San Bernardino County

The California Regional Water Quality Control Board, Lahontan Region (Regional Board) finds:

1. Water Recycler

Rancho Las Flores Limited Partnership (RLF) recycles wastewater on pastureland near the West Fork of the Mojave River. For the purposes of this Amendment, RLF is referred to as the "Water Recycler."

2. Facility

RLF pastureland facilitates the regulated wastewater recycling project. For the purposes of this Amendment, RLF pastureland is referred to as the "Facility". The Recycled secondary treated and disinfected wastewater is discharged at the pastureland site.

3. History of Previous Regulation by the Regional Board

The Regional Board previously established Water Recycling Requirements (WRRs) for the Facility under Board Order No. 6-96-24, which was adopted on April 11, 1996.

4. Reasons for Action

The Regional Board is amending WRRs to incorporate a proposed 325-acre areal expansion into the authorized recycling site, and to authorize spray irrigation within a portion of the expanded recycling area.

5. Facility Location

The Facility is located within the City of Hesperia at 15400 Highway 173 approximately 14 miles south of the City of Hesperia, proper, in portions of Sections 22, 27, 28, and 33, T3N, R4W, SBB&M in the Upper Mojave Hydrologic Area of the Mojave Hydrologic Unit as shown on amended Attachment"A", which is made part of the amended Order.

1 The terms "wastewater recycling" are used herein for consistency with Board Order No. 6-96-24 which is being amended. For consistency with current regulatory terminology, "wastewater recycling," as used herein, is equivalent to "water recycling."

6. Ground Water Monitoring Requirements

Board Order No. 6-96-24 requires the Water Recycler to conduct ground water monitoring as a component of the project. The Water Recycler has demonstrated that the existing monitoring system adequately monitors the Facility, including the expansion area.

7. CEQA Compliance

On January 18, 1990 the City of Hesperia certified a final Environmental Impact Report (EIR) for the project, in accordance with the California Environmental Quality Act (CEQA), (Public Resources Code, Section 21000 et seq.), which includes the proposed expansion area. The Regional Board, as a responsible agency for CEQA, has considered the EIR prepared by the City of Hesperia.

8. Notification of Interested Parties

The Board has notified the Water Recycler and interested parties of its intent to amend WRRs for the Discharge.

9. Consideration of Public Comments

The Board, in a public hearing, heard and considered all comments pertaining to this discharge.

IT IS HEREBY ORDERED THAT:

I. The Findings of Board Order No. 6-96-24 be amended to include the following:

5. Location

The Facility is located within the City of Hesperia at 15400 Highway 173 approximately 14 miles south of the City of Hesperia, proper, in portions of Sections 22, 27, 28, and 33, T3N, R4W, SBB&M in the Upper Mojave Hydrologic Area of the Mojave Hydrologic Unit as shown on Attachment"A", which is made part of this Order.

6. Description of Facility and Discharge

Recycled wastewater is discharged from three Wastewater Treatment Facilities (WTFs) operated by the Crestline Sanitation District (CSD) and one WTF operated by the Pilot Rock Conservation Camp (PRCC). The three CSD-operated WTFs have the following respective design capacities: Huston Creek (0.7 mgd); Seeley Creek (0.5 mgd); and Cleghorn, serving the Silverwood Lake State Recreation Area (SRA), (0.2 mgd).

The PRCC WTF design capacity is 0.01 mgd. All four WTFs discharge to the CSD combined outfall pipeline with a design average daily flow capacity of 5.0 mgd and a 7.5 mgd peak flow capacity. Recycled wastewater is first discharged from the outfall pipeline to 6 acres of land owned and controlled by CSD. The Facility regulated herein consists of an additional 500-acre pasture flood irrigation site currently flood irrigated and 325 acres of pastureland now proposed for future flood and/or spray irrigation with recycled wastewater. The pasture area consists of uncultivated grasses. Currently, beef cattle calving cows for breeding (approximately 400), and brood mare horses for horse racing (approximately 80) graze on the pastureland irrigated with recycled wastewater.

A combined annual average of 0.982 mgd of recycled wastewater from CSD and PRCC is applied by flood irrigation to the currently operated pastureland recycling area. Approximately 0.974 mgd of domestic wastewater from the CSD service area and the Silverwood Lake SRA is collected, treated to a secondary level, disinfected and discharged to the outfall pipeline. Approximately 0.008 mgd of domestic wastewater is collected by PRCC, treated to a secondary level, disinfected and discharged to the same outfall pipeline. The combined flow is discharged first to CSD land surrounding the outfall, and then the discharge flows onto the Las Flores Ranch-owned recycling area. Due to infiltration and inflow in the CSD and Silverwood Lake SRA collection systems, the effluent flowrate to the site has previously reached as high as 3.0 mgd during limited seasonal precipitation events. The proposed expansion of the recycling area does not include any specifically proposed increase in flow.

Two bermed storage ponds (2.6 acres of sand filters), located on 12 additional acres of CSD-owned land, west of the outfall and upgradient of the RLF irrigation area are for emergency use only by the CSD to prevent discharge to the West Fork of the Mojave River. The ponds were last used in 1978. Incidental flood irrigation occurs on the 6-acres of CSD-owned land around the CSD-owned wastewater outfall as the flow traverses the property to the RLF irrigation site. The combined total of 18 acres of CSD-owned land including the emergency storage ponds and incidental irrigation area are operated by, and under the exclusive control of the CSD. The wastewater discharge on the 18-acre CSD-owned site is regulated under separate waste discharge requirements. Those requirements are not affected by this Amendment.

7. Authorized Wastewater Recycling Site

The primary 825-acre pastureland area (current 500-acre pastureland plus the proposed 325-acre pastureland expansion area) is the only authorized wastewater recycling site for recycled wastewater. The portion of the primary site authorized for spray irrigation is limited to the area located south of the existing canal within the proposed expanded wastewater recycling area as indicated on Attachment "A", the amended location map. The authorized wastewater recycling site is located on land owned by RLF.

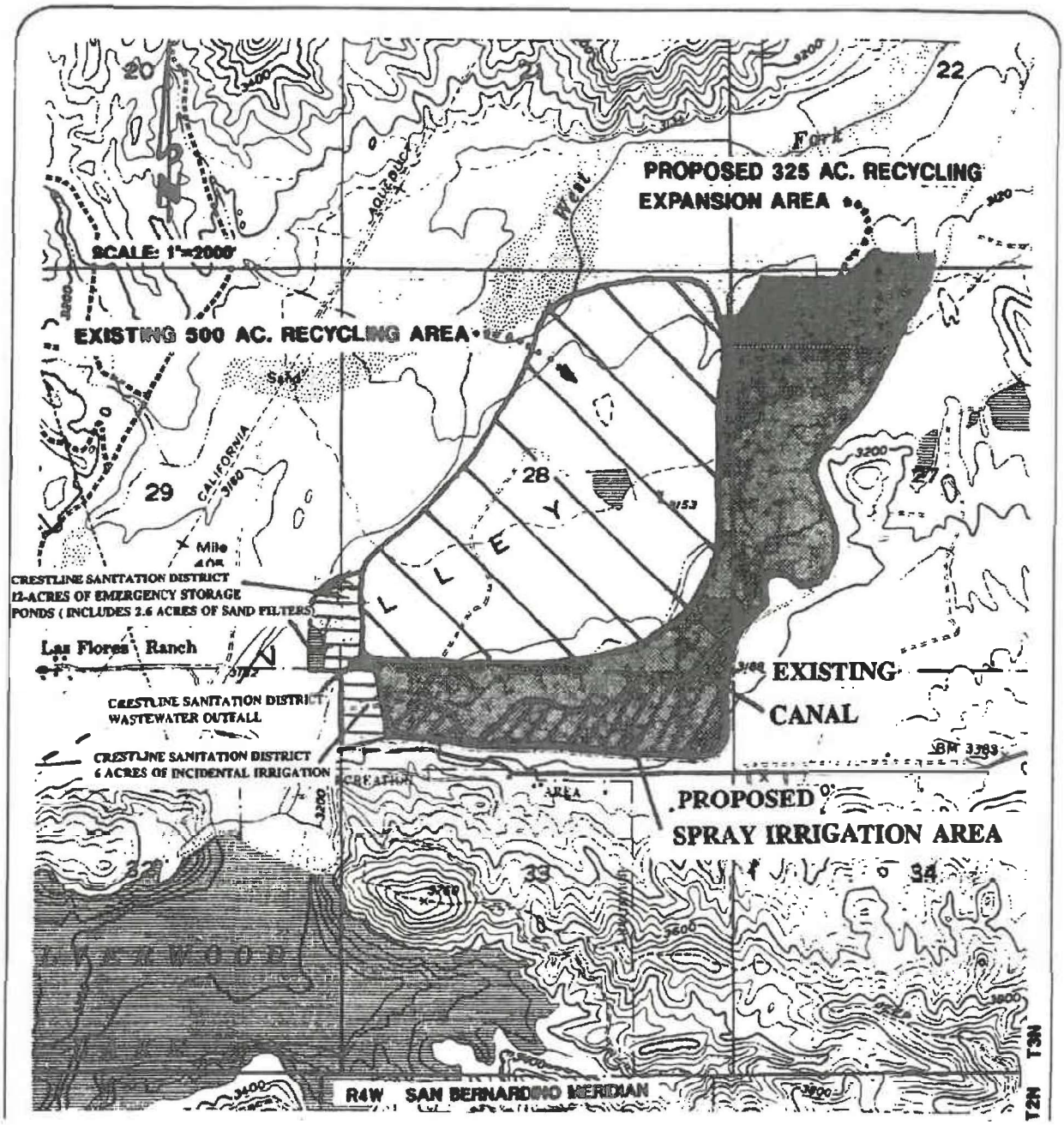
II. There are no other changes or additions to Board Order No. 6-96-24 with the exception of regulatory terminology whereby these requirements are now referred to as water recycling requirements as described in Footnote No. 1 on page one of this Amendment.

I, Harold J. Singer, do hereby certify that the foregoing is a full, true, and correct copy of an Amendment adopted by the California Regional Water Quality Control Board, Lahontan Region, on July 17, 1997.

Harold J. Singer

HAROLD J. SINGER
EXECUTIVE OFFICER

Attachment: A. Amended Location Map



AMENDED

ATTACHMENT "A"

RANCHO LAS FLORES LIMITED PARTNERSHIP

RANCHO LAS FLORES WASTEWATER RECYCLING SITE

WITHIN CITY OF HESPERIA

COUNTY OF SAN BERNARDINO

Portions of Sections 22, 27, 28 and 33, T3N, R4W, SBB&M

USGS Silverwood Lake 7.5 Minute Quadrangle, Photo-revised 1988

04/11/1996

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
LAHONTAN REGION

BOARD ORDER NO. 6-96-24
WDID NO. 6B361018001

UPDATED WASTE DISCHARGE REQUIREMENTS

FOR

RANCHO LAS FLORES WASTEWATER RECYCLING SITE

San Bernardino County

The California Regional Water Quality Control Board, Lahontan Region (Regional Board) finds:

1. Discharger

Rancho Las Flores Limited Partnership recycles wastewater on Rancho Las Flores pastureland near the West Fork of the Mojave River. For the purposes of this Order, Rancho Las Flores Limited Partnership is referred to as the "Discharger."

2. Facility

Rancho Las Flores pastureland facilitates the regulated wastewater recycling project. For the purposes of this Order, Rancho Las Flores is referred to as the "Facility". Recycled secondary treated and disinfected wastewater is discharged at the pasture land site.

3. History of Previous Regulation by the Regional Board

The Regional Board previously established recycling requirements for the Facility under Order No. 6-73-56 which was adopted on May 24, 1973, Order No. 6-77-72 which was adopted on June 30, 1977, and Order No. 6-85-27 which was adopted on March 14, 1985.

Administrative Civil Liability Complaint (ACL) No. 6-93-38 dated April 19, 1993, in the proposed amount of $13,500.00 was issued to Las Flores Ranch for an unconfined discharge of wastewater in violation of a Basin Plan Prohibition and the California Water Code. The Discharger settled the matter by payment of the proposed ACL amount on May 12, 1993.

4. Reason for Action

The Regional Board is updating waste discharge requirements as part of a periodic review of the requirements, to reflect a change of project ownership/operation from Summit Valley Ranch to Rancho Las Flores Limited Partnership, and to reflect a change in the name of the project from Summit Valley Ranch to Rancho Las Flores. The purpose of this Order is to formally regulate the discharge of recycled wastewater for the protection of water quality and to prevent the occurrence of a nuisance condition which could become associated with the recycling discharge.

5. Location

The Facility is located within the City of Hesperia at 15400 Highway 173 approximately 14 miles south of the City of Hesperia, proper, in Section 28, T3N, R4W, SBB&M in the Upper Mojave Hydrologic Area of the Mojave Hydrologic Unit as shown on Attachment "A", which is made part of this Order.

6. Description of Facility and Discharge

Recycled wastewater is discharged from three wastewater treatment facilities (WTFs) operated by the Crestline Sanitation District (CSD) and one WTF operated by the Pilot Rock Conservation Camp (PRCC). The three CSD-operated WTFs have the following respective design capacities: Huston Creek (0.7 mgd); Seeley Creek (0.5 mgd); and Cleghorn, serving the Silverwood Lake State Recreation Area (SRA), (0.2 mgd). The PRCC WTF design capacity is 0.01 mgd. All four WTFs discharge to the CSD combined outfall pipeline with a design average daily flow capacity of 5.0 mgd and a 7.5 mgd peak flow capacity. Recycled wastewater is first discharged from the outfall pipeline to 12 acres of land owned and controlled by CSD. The Facility regulated herein consists of an additional 500-acre pasture flood irrigation site. The pasture area consists of uncultivated grasses. Currently, beef cattle calving cows for breeding (approximately 400), and brood mare horses for horse racing (approximately 80) graze on the pastureland irrigated with recycled wastewater.

A combined annual average of 0.982 mgd of recycled wastewater from CSD and PRCC is applied by flood irrigation to the pastureland recycling area. Approximately 0.974 mgd of domestic wastewater from the CSD service area and the Silverwood Lake SRA is collected, treated to a secondary level, disinfected and discharged to the outfall pipeline. Approximately 0.008 mgd of domestic wastewater is collected by PRCC, treated to a secondary level, disinfected and discharged to the same outfall pipeline. The combined flow is discharged first to CSD land surrounding the outfall, and then the discharge flows onto the Las Flores Ranch owned recycling area. Due to infiltration and inflow problems in the CSD and Silverwood Lake SRA collection systems, the effluent flowrate to the site has previously reached as high as 3.0 mgd during limited seasonal precipitation events.

Two bermed storage ponds (2.6 acres of sand filters), located on 12 additional acres of CSD owned land, west of the outfall and upgradient of the irrigation area are for emergency use only by the CSD to prevent discharge to the West Fork of the Mojave River. The ponds were last used in 1978. The emergency storage ponds are operated by, and under the exclusive control of the CSD and are regulated under requirements issued to the CSD.

7. Authorized Disposal Site

The 500-acre pastureland area is the only authorized disposal site for wastewater. The authorized disposal site is located on land owned by Rancho Las Flores Limited Partnership.

8. Recycling Regulations

The quality of the recycled wastewater will conform to the discharge specifications contained in waste discharge requirements prescribed by the Regional Board for the CSD and PRCC.

The State Department of Health Services has established statewide recycling criteria for the use of recycled water for pasture irrigation. All effluent made available for recycling is to comply with standard Department of Health Services Recycling Requirements as specified in Chapter 3, Division 4, Title 22, California Code of Regulations.

In accordance with Section 13523 of the California Water Code, the Regional Board consulted with and received the recommendations of the State Department of Health Services concerning recycling requirements which are incorporated within this Order.

9. Site Geology

The land surface slopes on the site are convex and range from two to nine percent. The natural vegetation is mainly juniper, desert shrubs, and grasses. Soils at the recycling site are composed of the Avawatz-Oak Glen association consisting of sandy loam, formed in alluvium derived from granitic material with moderately rapid to rapid permeability. The surface layers of soil are approximately 15 to 22 inches of brown/gray sandy loam. The underlying soils are approximately 60 inches of brown/gray loamy sand. Erosion potential from water is slight or moderate.

10. Site Hydrology

The recycling site is located adjacent to the West Fork of the Mojave River. The spillway flow discharge of California Aqueduct water, when necessary, from the Cedar Springs Dam at Silverwood Lake occurs just west of the recycling site. The volume of the releases of aqueduct water from Silverwood Lake (pass through water) to the West Fork of the Mojave River is equivalent to the natural runoff volumes to the Lake, which would have previously been runoff to the West Fork of the Mojave River if the Lake were not intercepting the natural runoff flows. An amount of water equal to the first 23 second-feet of natural runoff flows, which represents the Rancho Las Flores' historic water right, is intercepted by the Lake. To compensate Rancho Las Flores for this interception, an equal amount of flow is diverted from the aqueduct system prior to the Lake and discharged to Rancho Las Flores. Local annual precipitation is approximately 6.5 inches.

11. Site Hydrogeology

Depth from the ground surface to ground water at the site ranges from two to fifteen feet. Ground water component flows consisting of natural ground water underflow and underflow seepage of California Aqueduct water from Silverwood Lake occur at the recycling site.

12. Receiving Waters

The receiving waters are the ground and surface waters of the Lahontan Hydrologic Basin, Mojave Hydrologic Unit, Upper Mojave Hydrologic Area (Department of Water Resources surface water Hydrologic Unit No. 628.20 and Basin No. 6-42 for the Upper Mojave River Valley Ground Water Basin).

13. Lahontan Basin Plan

The Regional Board adopted a Water Quality Control Plan for the Lahontan Basin (Basin Plan) on March 31, 1995 and this Order implements the Basin Plan as amended.

14. Beneficial Uses of Ground Water

The beneficial uses of the ground waters of the Lahontan Hydrologic Basin, Upper Mojave River Valley Ground Water Basin as set forth and defined in the Basin Plan are:

a. municipal and domestic supply
b. agricultural supply
c. industrial service supply
d. freshwater replenishment
e. aquaculture

15. Beneficial Uses of Surface Water

The beneficial uses of the surface waters of the Lahontan Hydrologic Basin, Mojave Hydrologic Unit, West Fork of the Mojave River and Upper Mojave Hydrologic Area as set forth and defined in the Basin Plan are:

a. municipal and domestic supply
b. agricultural supply
c. ground water recharge
d. hydropower generation
e. water-contact recreation
f. non-contact water recreation
g. commercial and sport fishing
h warm freshwater habitat
i cold freshwater habitat
j wildlife habitat

16. Constituents of Concern and Monitoring Parameters

Monitoring of effluent quality is conducted by CSD and PRCC under separate waste discharge requirements.

17. California Environmental Quality Act Compliance

These recycling requirements govern an existing facility which the recycled wastewater reuser is currently operating. The project consists only of the continued use of recycled wastewater governed by these recycling requirements and is therefore exempt from the provisions of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) in accordance with Section 15301, Chapter 3, Title 14, California Code of Regulations.

18. Notification of Interested Parties

The Regional Board has notified the Discharger and interested parties of its intent to update waste discharge requirements for the discharge.

19. Consideration of Public Comments

The Regional Board, in a public meeting, heard and considered all comments pertaining to the discharge.

IT IS HEREBY ORDERED that the Discharger shall comply with the following:

I. DISCHARGE SPECIFICATIONS

A. Recycling Requirements

1. The irrigation site shall be managed and operated in a manner to prevent persistent ponding of wastewater which is capable of promoting the breeding of mosquitoes.

2. The irrigation site shall be properly fenced and posted to restrict public access and warn of the presence of sewage.

B. Receiving Water Limitations

The discharge of waste, as a result of activities at Rancho Las Flores, shall not cause the presence of the following substances or conditions in surface or ground waters of the Mojave Hydrologic Unit, West Fork of the Mojave River, Upper Mojave Hydrologic Area, and Mojave River Valley Ground Water Basin.

1. Any perceptible color, odor, taste or foaming.

2. Coliform organisms attributable to human wastes.

3. Toxic substances in concentrations that individually, collectively, or cumulatively cause detrimental physiological responses in human, plants, animals, or aquatic life.

4. Identifiable chlorinated hydrocarbons, organophosphates, carbamates, and other pesticide and herbicide groups, in summations, in excess of the lowest detectable levels.

5. Concentrations of chemical constituents in excess of the maximum contaminant levels or secondary maximum contaminant levels based upon drinking water standards specified by the more restrictive of the California Code of Regulations, Title 22, Division 4, Chapter 15, or 40 CFR, Part 141.

C. General Requirements and Prohibitions

1. Surface flow or visible discharge of sewage or recycled wastewater at, or from, the authorized disposal site to adjacent land areas or surface waters is prohibited.

2. The vertical distance between the liquid surface elevation and the lowest point of a pond dike or the invert of an overflow structure shall not be less than two (2) feet.

3. The discharge shall not cause a nuisance as defined in Section 13050 of the California Water Code.

4. The discharge of treated wastewater, except to the authorized wastewater recycling site, is prohibited.

II. PROVISIONS

A. Rescission of Waste Discharge Requirements

Board Order No. 6-85-27 is hereby rescinded.

B. Standard Provisions

The Discharger shall comply with the "Standard Provisions for Waste Discharge Requirements," dated September 1, 1994, in Attachment "B.", which is made part of this Order, with the exception of references to treatment and/or treatment facilities.

C. Monitoring and Reporting

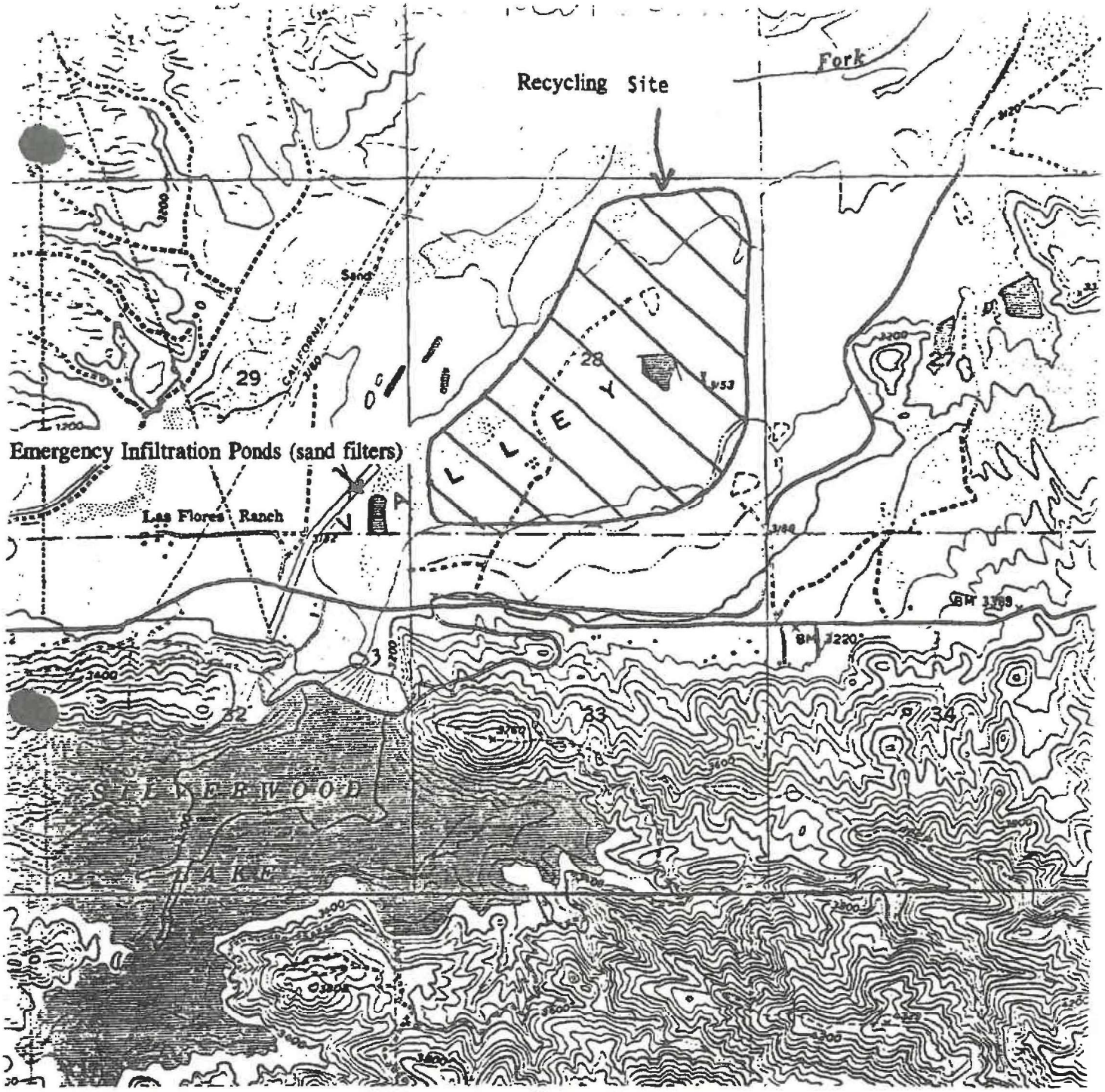
No monitoring and reporting is required by the Discharger. Monitoring of the quality and quantity of effluent used at the recycling site, the quality of surface water in the West Fork of the Mojave River, and the quality of ground water beneath and in the vicinity of the recycling site, is conducted by CSD and/or PRCC.

I, Harold J. Singer, Executive Officer, do hereby certify that the foregoing is a full, true, and correct copy of an Order adopted by the California Regional Water Quality Control Board, Lahontan Region, on April 11, 1996.

Harold J. Singer

HAROLD J. SINGER
EXECUTIVE OFFICER

Attachments: A. Location Map
B. Standard Provisions for Waste Discharge Requirements



ATTACHMENT "A"

RANCHO LAS FLORES LIMITED PARTNERSHIP

RANCHO LAS FLORES WASTEWATER RECYCLING SITE

Within Annexed Portion of City of Hesperia, South of Hesperia, Proper San Bernardino County

Portion of Section 28, T3N, R4W, SBB&M

USGS Silverwood Lake 7.5 Minute Quadrangle

Attachment "B"

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
LAHONTAN REGION

STANDARD PROVISIONS
FOR WASTE DISCHARGE REQUIREMENTS

1. Inspection and Entry

The discharger shall permit Regional Board staff:

a. to enter upon premises in which an effluent source is located or in which any required records are kept;

b. to copy any records relating to the discharge or relating to compliance with the waste discharge requirements;

c. to inspect monitoring equipment or records; and

d. to sample any discharge.

2. Reporting Requirements

a. Pursuant to California Water Code 13267(b), the discharger shall immediately notify the Regional Board by telephone whenever an adverse condition occurred as a result of this discharge; written confirmation shall follow within two weeks. An adverse condition includes, but is not limited to, spills of petroleum products or toxic chemicals, or damage to control facilities that could affect compliance.

b. Pursuant to California Water Code Section 13260 (c), any proposed material change in the character of the waste, manner or method of treatment or disposal, increase of discharge, or location of discharge, shall be reported to the Regional Board at least 120 days in advance of implementation of any such proposal. This shall include, but not be limited to, all significant soil disturbances.

c. The owner(s) of, and discharger upon, property subject to waste discharge requirements shall be considered to have a continuing responsibility for ensuring compliance with applicable waste discharge requirements in the operations or use of the owned property. Pursuant to California Water Code Section 13260(c), any change in the ownership and/or operation of property subject to the waste discharge requirements shall be reported to the Regional Board. Notification of applicable waste discharge requirements shall be furnished in writing to the new owners and/or operators and a copy of such notification shall be sent to the Regional Board.

d. If a discharger becomes aware that any information submitted to the Regional Board is incorrect, the discharger shall immediately notify the Regional Board, in writing, and correct that information.

8. Property Rights

The waste discharge requirements do not convey any property rights of any sort, or any exclusive privileges, nor does it authorize any injury to private property or any invasion of personal rights, nor any infringement of federal, state or local laws or regulations.

9. Enforcement

The California Water Code provides for civil liability and criminal penalties for violations or threatened violations of the waste discharge requirements including imposition of civil liability or referral to the Attorney General.

10. Availability

A copy of the waste discharge requirements shall kept and maintained by the discharger and be available at all times to operating personnel.

11. Severability

Provisions of the waste discharge requirements are severable. If any provision of the requirements is found invalid, the remainder of the requirements shall not be affected.

12. Public Access

General public access shall be effectively excluded from treatment and disposal facilities.

13. Transfers

Providing there is no material change in the operation of the facility, this Order may be transferred to a new owner or operation. The owner/operator must request the transfer in writing and receive written approval from the Regional Board Executive Officer.

14. Definitions

a. "Surface waters" as used in this Order, include, but are not limited to, live streams, either perennial or ephemeral, which flow in natural or artificial water courses and natural lakes and artificial impoundments of waters. "Surface waters" does not include artificial water courses or impoundments used exclusively for wastewater disposal.

b. "Ground waters" as used in this Order, include, but are not limited to, all subsurface waters being above atmospheric pressure and the capillary fringe of these waters.

Water Boards

Lahontan Regional Water Quality Control Board

BOARD ORDER TRANSFER REQUEST

BOARD ORDER NO.	6-98-24	**FACILITY NAME**	RANCHO LAS FLORES WASTE WATER RECYCLING SITE
WDID NO.	6B361018001	**COUNTY**	SAN BERNARDINO

FACILITY ADDRESS	**CITY**	**ZIP**	**ASSESSORS PARCEL NO.(s)**
15400 HWY 173	HESPERIA	92345	0357-201-12-0000

I request the transfer of the existing Waste Discharge Requirements contained in the above-referenced Board Order in accordance with the following.

TRANSFER FROM:

(Former owner – complete name, address, contact and billing information)	(Former operator – complete name, address contact and billing information)
RANCHO LAS FLORES LIMITED PARTNERSHIP (*ADDRESS & CONTACT INFORMATION IS NOT AVAILABLE*)	NO CHANGE

TRANSFER TO:

(New owner – complete name, address, contact and billing information)	(New operator – complete name, address contact and billing information)
HESPERIA VENTURE I, LLC 10410 ROBERTS RD./P.O. BOX 645 CALIMESA, CA 92320	NO CHANGE

Certification:

I understand that I am responsible for compliance with the Board Order and will be billed an annual fee for the waste discharge from this facility. I certify that I have reviewed the Report of Waste Discharge and the Board Order and that the facility construction and discharges have not substantially changed. I also agree to notify the Board of any material change in this facility, any change in the amount, type or manner of waste discharge or any future change in the facility owner or operator.

(Signature of New Owner/Operator)	03/01/14 (Date)	(909) 795-8941 (Telephone No.)
HESPERIA VENTURE I, LLC (Company name, if appropriate)		johanian@tvgllc.com (Email)

(Mailing address).
P.O. BOX 645, CALIMESA, CA 92320

FOR REGIONAL BOARD USE ONLY

Action	*Signature*	*Responsible Staff*	*Date*
Transfer Recommended		Unit Chief	03-11-14
Transfer Approved		Division Manager	3-12-14
CIWQS Entry		CIWQS Coordinator	3-27-14
Former Owner/Operator Notified		Water Board Staff	N/A
New Owner/Operator Notified		Water Board Staff	03-28-14
Original Form Sent to Project File		Water Board Staff	

Joshua/Forms/Board Order Transfer Request Form (rev. 12-2012)

EXHIBIT D

SETTLEMENT AND GENERAL RELEASE AGREEMENT

This Settlement and General Release Agreement ("Agreement") is entered into on the 30th day of November 2017 by and between Crestline Sanitation District, a County Sanitation District ("District") and Terra Verde Group, LLC a Delaware Limited Liability Company and Hesperia Venture I, LLC a Delaware Limited Liability Company (collectively "Owner").

RECITALS

WHEREAS, Owner owns and controls certain real property located within the County of San Bernardino consisting of approximately 825 acres and more thoroughly described in Amended Attachment "A" to Exhibit A, attached hereto, which property is more commonly referred to as the Tapestry project("Property"); and

WHEREAS, On February 25, 2016, District commenced legal action against Owner and the City of Hesperia in Crestline Sanitation District v. City of Hesperia, et al., San Bernardino County Superior Court Case No. CIVDS 1602789 (the "Action"); and

WHEREAS, In the Action, District contested the City's approval of the Tapestry Specific Plan and Phase 1 of the Tapestry development project ("Project") and certification and approval of an Environmental Impact Report for the Project. The Action was filed under the California Environmental Quality Act ("CEQA," Public Resources Code, §§ 21000 et seq.); and

WHEREAS, District produces approximately 600-acre feet per year of Title 22 recycled water ("Recycled Water") as a byproduct of its wastewater treatment services. Recycled water is a valuable resource which should be utilized to obtain maximum beneficial use for District ratepayers; and

WHEREAS, for more than 40 years, District has discharged its Recycled Water onto District owned property which then flows onto the Property ("Discharge") pursuant to a year-to-year license agreement with Owner. The recycled water is Discharged onto the Property under permit issued by the State Water Quality Control Board, Lahontan Region, in the name of Owner; and

WHEREAS, District wishes to maximize the beneficial reuse of Recycled Water, and to establish viable alternatives for the Discharge, sale and use of Recycled Water locally and extraterritorially, as a critically necessary water supply, especially during periods of extreme drought conditions, while at the same time retaining a long-term reliable and certain point of Discharge for its Recycled Water which a year-to-year license agreement does not provide; and

WHEREAS, Owner wishes to have the option to purchase the Recycled Water for use in its planned development; and

WHEREAS, District and Owner have met to discuss possible settlement of the Action and those discussions have proven successful. Accordingly, the purpose of this Agreement is to settle and release fully and completely all claims that District has or may have against Owner regarding the Action, as identified through those settlement discussions.

NOW THEREFORE, in consideration of the mutual covenants, promises and undertakings set forth herein, District and Owner agree as follows:

1. Owner and District shall enter into a license agreement permitting the Discharge of Recycled Water onto the Property for a period of 50 years. Owner and District shall cause the license agreement to be recorded with the San Bernardino County Recorder's Office immediately after full execution of the license agreement.

2. The Discharge permit issued to Owner by the Lahontan Region of the State Water Quality Control Board, attached as Exhibit A, which allows for the Discharge of recycled water onto the Property, shall be assigned to District. Owner shall cooperate in the administrative process required to accomplish said assignment including, but not limited to, the execution of all necessary paperwork. District shall comply with all terms and conditions of the Discharge permit.

3. District will create and maintain control over the Discharge and distribution of Recycled Water including the sale of Recycled Water both within and outside the District's service area to ensure the greatest financial benefit to District ratepayers. There are no minimum Discharge requirements imposed by this agreement and District has no obligation to Discharge Recycled Water onto the Property. Every six months the District shall submit a written report to Owner setting forth the amount of Recycled Water estimated to be Discharged onto the Property over the following six month period. The report shall take into account estimated Recycled Water production and the sale of Recycled Water to third parties for transfer out of the Mojave Basin.

4. District shall maintain the point of Discharge of Recycled Water where currently located on the Property. The point of Discharge shall not be relocated without the agreement of the Parties. The parties shall meet no less than once every 5 years to discuss the then current Discharge practices and to consider viable options to those practices.

5. Owner shall have the right of first refusal to purchase Recycled Water from District under such terms and conditions as the parties hereto may agree under separate Recycled Water purchase agreement.

6. Any written communication required or permitted to be given hereunder shall be deemed received upon personal delivery or 72 hours after deposit in any United States mail depository, first class postage prepaid, and addressed to the party for whom intended as follows:

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If to District: Rick Dever, General Manager
Crestline Sanitation District
24516 Lake Drive
Crestline, CA 92325-3395
Tel: (909) 338-1751
rdever@crestlinesanitaion.com

If to Owner: Craig Martin, Manager
HESPERIA Venture I, LLC
Terra Verde Group, LLC
1001 Windsong Parkway South
Prosper, TX 75078
Tel: (972) 347-9270
cmartin@tvgllc.com

Copy to: John Ohanian, Project Director
Terra Verde Group, LLC
P.O. Box 645
Calimesa, CA 92320
Tel: (714) 785-2381
johanian@tvgllc.com

7. Within twenty (20) business days of receipt of a final version of the Agreement, District and Owner shall each execute the Agreement. Within five (5) days of the Agreement being fully executed by the parties, District shall direct and cause their attorney of record to fully execute a request for dismissal with prejudice of the Action in its entirety, and file the request for dismissal with the court. District, as soon as possible after receipt of the court executed dismissal with prejudice of the Action, shall provide a copy to Owner.

8. In exchange for the commitments set forth herein, District and their officers and directors, and members hereby release and forever discharge Owner and their respective directors, predecessors, successors, assigns, officers, shareholders, members, employees, designated agents, designated representatives, attorneys, and any person claiming by or through any of them ("Released Parties") from any and all of District's claims, demands, liabilities, obligations, causes of action, damages, judgments, payments, attorneys fees and costs, both known and unknown, which District may now have or might hereinafter have against the Released Parties involving the Action or which were asserted or which could have been asserted in the Action. In return Owner and their respective directors, predecessors, successors, assigns, officers, shareholders, members, employees, designated agents, designated representatives, attorneys and any person claiming by or through any of them do hereby fully, finally, and forever release and discharge District and its predecessors, successors, assigns, officers, directors, shareholders, employees, designated agents, designated representatives, attorneys, and any person claiming by or

through any of them from any and all of Owner's claims arising from the facts, actions, omissions or events which arose out of the Action.

9. District, on behalf of their predecessors, successors, assigns, officers, directors, employees, designated agents, designated representatives, and any person claiming by or through any of them agree and covenant that they will not institute or join in any way, any new lawsuit which is based on any of District's claims, demands, liabilities, obligations, causes of action, damages, judgments, payments, attorneys fees or costs, in the Action. Owner, and their respective boards of directors, predecessors, successors, assigns, officers, shareholders, members, employees, designated agents, designated representatives, attorneys, and any person claiming by or through any of them do hereby fully, finally, and forever release and discharge District and its predecessors, successors, assigns, officers, directors, employees, designated agents, designated representatives, and any person claiming by or through any of them from any and all of Owner's claims arising from the facts, actions, omissions or events which arose out of the Action.

10. The Parties represent and warrant that they have not assigned nor transferred, or purported to assign or transfer, any obligations, liabilities, demands, claims, costs, expenses, debts, controversies, damages, actions, and causes of action released pursuant to this Agreement. District shall not hereafter assign or transfer any obligations under this Agreement. Owner shall have the right to unreservedly assign or transfer any obligations under this Agreement, provided that Owner submits written notice to District of their intent to assign or transfer any such obligations at least sixty (60) days prior to any such assignment or transfer. Prior to any transfer of real property within the Project area, Owner agrees to expressly disclose this Agreement, and the assignment and assumption of the obligations of this Agreement will be a part of any transfer of Property. The Parties also agree to hold one another harmless against any obligation, liability, demand, claim, cost, expense (including but not limited to attorneys' fees incurred), debt, controversy, damage, action or cause of action based on, arising out of or in connection with any such transfer or assignment or purported transfer or assignment.

11. Dispute Resolution

(a) In the event a Party, acting in good faith, believes another Party has violated, or is preparing to violate, the terms of this Agreement, that the Party in good faith believes directly and adversely affects the terms and conditions in this Agreement, the aggrieved Party shall give written notice detailing the alleged or anticipated breach or unforeseen circumstance outside the control of the Parties. After notice is given, the Parties shall negotiate in good faith to resolve the dispute.

(b) In the event that the Parties are unable to negotiate to a mutually acceptable resolution in paragraph 11(a) of this Agreement, the Parties shall meet and agree to a formal dispute resolution process, which may include, but is not necessarily limited to, mediation, and binding arbitration. No Party, however, shall be required to enter into binding arbitration unless they consent to the binding arbitration process. Where the

Parties have agreed to submit a dispute to binding arbitration, the arbitrator's decision in such arbitration shall be final and binding on both Parties. The Parties will mutually select the potential mediators or arbitrators. It is understood and agreed that the only issues that may be addressed at such dispute resolution processes are the terms and conditions of this Agreement provided in paragraph 11(a).

(c) In the event that the Parties are unable to resolve their dispute through the informal and formal methods of dispute resolution described in paragraphs 11(a) and 11(b), above, the aggrieved Party, after providing fifteen (15) days written notice to the other Parties, may initiate a legal or injunctive action to prevent an anticipated breach or to enforce the Agreement for a breach already committed.

(d) The Parties acknowledge that the breach or threatened breach of any the obligations of this Agreement could result in irreparable harm to the other Parties. Accordingly, the Parties intend, and hereby agree that after any breach of any alleged of the obligations, the non-breaching Party may request and shall be entitled to equitable remedies from a court, including injunctive relief and specific performance, without the need for it to post any security. The Parties agree that monetary damages are not available as a remedy in the event the obligations of this Agreement are breached.

(e) In the event of litigation arising out of any alleged breach of this Agreement, a prevailing Party shall be entitled to recover its costs, expenses and reasonable attorneys' fees in addition to any other relief to which it may be entitled.

(f) The failure of any Party to enforce any term, covenant, or condition of this Agreement on the date it is to be performed shall not be construed as a waiver of that Party's right to enforce such term, covenant or condition, or any other term, covenant, or condition of this Agreement. A waiver of any Party's right to enforce any provision of this Agreement shall not be effective unless such a waiver is made expressly in writing. An express waiver of any one breach shall not be deemed a waiver of any other breach of the same or any other provision of this Agreement.

12. Nothing in the Agreement shall be construed as an admission of any type by any Party.

13. The Parties agree that execution of this Agreement does not trigger further environmental review pursuant to CEQA or any other state or federal environmental statute because this Agreement does not constitute a "project" under CEQA, Public Resources Code section 21065.

14. This Agreement shall be binding upon and for the benefit of the Parties and their respective successors, devisees, affiliates, representatives, assigns, officers, directors, agents and employees wherever the context requires or admits.

15. Each of the Parties affirmatively represents that it has been represented throughout this matter by attorneys of its own choosing. Each Party has read the Agreement and has had the terms used herein and the consequences thereof explained by its attorneys of choice. The Agreement is freely and voluntarily executed and given by each Party after having

been apprised of all relevant information and data furnished by its attorneys of choice. Each party in executing the Agreement does not rely upon any inducements, promises or representations made by any other Party except as set forth herein.

16. This Agreement shall in all respects be interpreted and enforced by and under the laws of the State of California.

17. Should any term of this Agreement be deemed unlawful, that provision shall be severed and the remaining terms shall continue to be valid and fully enforceable.

18. Each Party has cooperated in the drafting and preparation of this Agreement. The Agreement shall not be construed against any Party on the basis that such Party drafted the Agreement or any provision thereof.

19. This Agreement contains the entire agreement between the parties with respect to the matters herein provided and may only be amended by a subsequent written amendment executed by all the parties.

20. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but which together shall constitute a single agreement.

21. Each of the parties represent that the persons signing this Agreement are competent have the appropriate authority to execute this Agreement and bind the respective party to the terms contained herein.

IN WITNESS WHEREOF, the parties have agreed to execute this Agreement effective from and after the date set forth above:

CRESTLINE SANITATION DISTRICT

By _____
Rick Dever, General Manager

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HESPERIA VENTURE I, LLC
By: Terra Verde Group LLC, a Delaware
limited liability company its managing member

By _____
D. Craig Martin, Manager

TERRA VERDE GROUP, LLC

By _____
D. Craig Martin, Manag

APPROVED AS TO FORM:

DATED: COUNSEL FOR CRESTLINE SANITATION DISTRICT

By _____
Jean Cihigoyenetche

DATED: 11/22/17 COUNSEL FOR HESPERIA VENTURE I, LLC

By _____
Douglas E. Wance of Buchalter

DATED: 11/22/17 COUNSEL FOR TERRA VERDE GROUP, LLC

By _____
Douglas E. Wance of Buchalter

EXHIBIT E

EXHIBIT "E"

DISBURSEMENT OF RECYCLED WATER

HVI will document how Recycled Water is disbursed throughout the property. This will be a written document submitted ten days prior to the quarterly meetings to the Crestline Sanitation District, in February, May, August, and November of every year that this agreement is in effect. At that time, HV1 and Crestline Sanitation District will determine if any adjustments are necessary.

Approximately 80 % of the Recycled Water will be distributed eastward along the main canal that currently runs parallel to Highway 173. Recycled Water will be distributed utilizing the four Slide Gates in the canal. Quarterly, the Recycled Water will be introduced to each Slide Gate, beginning at the first. Once it has reached the fourth Slide Gate, the pattern will go backwards, from the fourth to the first, and then recommence.

Approximately 20% of the Recycled Water will continue to be distributed to the lower canal, so as long as the Recycled Water does not create marsh-like conditions or impede the Crestline Sanitation District's ability to reach the Monitoring Wells on the property.

EXHIBIT F

EXHIBIT "F"

MAINTENANCE AND ENHANCEMENT

HVI will maintain the property in accordance with its Discharge Requirements as identified in Permit No. WDID 6B361018001, Board Order 6-96-24A. Item I. A. 2: "The irrigation site shall be properly fenced and posted to restrict access and want of the presence of sewage."

HVI will prevent ponding of water that creates swamp like conditions, as per its Discharge Requirements as identified in Permit No. WDID 6B361018001, Board Order 6-96-24A. Item I. A. 1: "The irrigation site shall be managed and operated in a matter to prevent persistent ponding of wastewater which is capable of promoting the breeding of mosquitos."

HVI will ensure that Ranch vegetation will be kept low and in such a manner as to prevent the promotion of Nitrates in the soil. Vegetation will be removed from Ranch after clearing to eliminate the risk of a fire.

HVI will ensure all canals will be kept free of vegetation and well maintained in order for water to be transported to the proper destination points.

HVI will maintain the Slide Gates and ensure they properly operate to restrict water from passing when closed and allow passage of water when opened.

HVI will install underdrains and earthen bridges across any water canal that restricts access to Crestline Sanitation District's Monitoring Wells.

HVI and Crestline Sanitation District will meet quarterly to review the maintenance plan for any necessary revisions.