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STATE WATER RESOURCES CONTROL BOARD

DIVISION OF WATER RIGHTS

In the matter of:

Santa Ana River Water Right Applications 31165, 31174, 31369, 31370, 31371, and 31372 and Wastewater Change Petition No. WW-0045.

Hearing Officer: Arthur Baggett, Jr.

WRITTEN TESTIMONY OF KEVIN MILLIGAN ON BEHALF OF THE CITY OF RIVERSIDE

Date: May 2, 2007
Time: 9:00 a.m.
Dept: 1001 I Street, Second Fl.
Costal Hearing Room
Sacramento, CA

Riverside Ex. 1-0

1. I have been employed by the City of Riverside Public Utilities since 1984. I currently serve as the Utilities Assistant Director - Water. Prior to becoming Utilities Assistant Director - Water, I served as the Utilities Principal Engineer for planning and development. As part of my duties, I have been closely involved in the City's development of the Riverside Public Utilities Recycled Water Program, including oversight of the preparation of the Recycled Water Phase I Feasibility Study and Citywide Master Plan, the 2005 Water System Master Plan and Non-potable Water Supply Assessment, the Recycled Water Program Environmental Impact Report, Application 31372, and Wastewater Change Petition No. WW-0045. Attached hereto as Riverside Ex. 1-1, Riverside Ex. 1-2 and Riverside Ex. 1-3 respectively, are true and correct copies of the Recycled Water Phase I Feasibility Study and Citywide Master Plan, the 2005 Water System Master Plan and Non-Potable Water Supply Assessment and the Recycled Water Draft Program Environmental Impact Report.

2. The people of the state of California have a primary interest in the development of facilities to recycle water containing waste to supplement existing surface and underground water supplies and to assist in meeting the future water requirements of the state (California Water Code, Section 13510). This state policy is in the best interest of the City, as it is highly dependent on groundwater for domestic, agricultural and industrial uses. The reliability of the supply of groundwater is uncertain, as the levels of groundwater are dependant upon climatic conditions. Riverside wished to develop and utilize recycled water in order to reduce its dependence not only upon local groundwater but also and additional imported water. Recycled water should be more readily available in seasons of drought when the supply of potable water for nonessential uses may be uncertain.

3. The City is committed to developing water projects which minimize the City's dependence on groundwater and non-local sources of water. Additionally, the City endeavors to make the best use of its valuable water resources. Planned potable water projects, including a new groundwater treatment plant, will increase annual production capacity to approximately

90,000 afa by mid-2008, as further described herein. Development of the recycled water facilities is expected to meet the balance of the increased demand and offset a portion of the present demand, thus reducing on an annual and peak basis the need for increased imported water.

4. The City was incorporated in 1883. In 1913 the City-owned water utility was established. Presently, the Riverside Public Water Utility service area includes approximately 76.4 square miles and encompasses most of the corporate boundary of the City of Riverside and includes several unincorporated county neighborhoods including portions of Highgrove and Home Gardens.

5. Major facilities in the water system include supply wells, transmission pipelines, distribution pipelines, storage reservoirs, treatment plants, pumping facilities, and pressure reducing facilities. The City maintains 56 active wells for supplying domestic and irrigation water to its service area. Distribution and transmission pipelines total over 906 miles. There are 16 storage tanks with a total capacity of 100.4 million gallons. Ten treatment plants remove contaminants from local groundwater before the water is delivered to the distribution system.

6. Multiple interagency and wholesale water connections allow the City to purchase and exchange potable water with neighboring agencies. Presently, the annual demand totals approximately 79,000 afa, and is projected to increase to approximately 100,000 afa by 2025. Peak day demand in summer 2006 was approximately 109 mgd. The City's actual production capacity from local resources totals approximately 99 mgd.

7. The City provides water service to over 60,000 service connections. In order to provide this water service the City presently relies almost entirely on local groundwater resources. The City extracts groundwater from the Bunker Hill and Riverside Basins. Approximately 60 percent of the water is pumped from the Bunker Hill Basin and roughly 40

percent is pumped from the Riverside Basin. Currently, the City relies on imported water supplies for approximately 3 percent of its annual needs.

8. The City is a party to the judgment in Western Municipal Water District et al. v. East San Bernardino County Water District et. al (Riverside County Superior Court No. 78426, April 17, 1969) (Applicants' Joint Ex. 2-7.). Under the terms of the Judgment, Riverside is entitled to extract a total of 49,542 afa from the San Bernardino Basin Area (Bunker Hill Basin) for export outside San Bernardino County. The Judgment also limits extractions from the Riverside North Basin Area for use outside San Bernardino County to approximately 24,000 afa. The Judgment does not limit extractions within the Riverside South Basin Area for use within Riverside County.

9. Presently, the City extracts and exports its full entitlement in the San Bernardino Basin Area (Bunker Hill Basin), and is approaching its maximum of extraction and exportation of water from the Riverside North Basin Area. Water quality constraints, including high levels of VOCs, SOCs, TDS, and nitrate have limited new production in the Riverside South Basin Area.

10. The City of Riverside's Regional Water Quality Control Plant ("RWQCP") is located on a 121 acre site at 5950 Acorn Street, Riverside, California. The site is south of the Santa Ana River, near the intersection of Van Buren Boulevard and Jurupa Avenue. Attached hereto as Riverside Ex. 1-4 is a true and correct copy of an aerial photo which shows the RWQCP.

11. The RWQCP consists of two secondary treatment plants, one tertiary treatment plant, and sludge handling facilities. In 1995, approximately 50 acres of wetlands, known as the Hidden Valley Wetlands Enhancement Project ("HVWEP"), were constructed and are being used for additional treatment of effluent. The HVWEP is located approximately two miles west of the RWQCP, with the final effluent from the project entering the Santa Ana River near California

Street in the City of Norco.

12. Presently, the City operates a small recycled water system composed of 8-inch and 12-inch diameter distribution mains. Riverside supplies approximately 290 afy of recycled water to the Van Buren Golf Center, Van Buren Urban Forest, Riverside Energy Resource Center ("RERC") Power Plant, and Toro Manufacturing Company, and has existing recycled water pipelines in Van Buren Boulevard and Doolittle Avenue. The current recycled water system is nearing operational capacity.

13. The RWQCP is currently permitted to treat 40 million gallons per day (mgd) of wastewater. Presently, the plant produces approximately 33 mgd, which translates to approximately 36,000 afa of effluent. Almost all of the treated effluent is discharged into Reach 3 of the Santa Ana River, by way of a constructed channel and the constructed wetlands. Following treatment and chlorination/dechlorination, the final effluent is discharged into a constructed channel that parallels the Santa Ana River flow. Eventually, the effluent flow is split, with some water discharged through a constructed channel that ultimately intersects the flow of the Santa Ana River. The balance of the effluent travels through a constructed channel to the HVWEP. Water flows through the HVWEP and re-enters a constructed channel where it intersects the Santa Ana River. The HVWEP was designed for an average influent flow of approximately 16 cfs.

14. The City plans a phased expansion of the RWQCP from the existing permitted capacity of 40 mgd to the ultimate capacity of 60 mgd or approximately 67,000 afa. The City expects the plant to be operating at ultimate capacity by 2030.

15. The Master Plan identifies a phased expansion of the City's existing recycled water distribution system from the present 290 afa to 41,400 afa by 2025. The Master Plan provides a framework for the planning, building and operation of a recycled water distribution

system. (See Riverside Ex. 1-2.) The Riverside Public Utilities prepared a draft Program Environmental Impact Report in connection with the Master Plan. (See Riverside Ex. 1-3.) The draft Program Environmental Impact Report was released for public comment on October 12, 2006.

16. The City of Riverside's Project has three components: Adoption of the Master Plan; implementation of near term and long term projects to deliver recycled water from the RWQCP; and re-use of 41,400 afy of treated effluent from the RWQCP for use as recycled water. The re-use of 41,400 afy per year would not be immediate but rather would occur over a period of time, as the plant is expanded, and as the population and employment in Riverside and surrounding areas continues to grow and thus the amount of treated effluent generated increases.

17. The City's objective is to ensure the continuous beneficial use of water by expanding the treatment facility, and directing a portion of the treated effluent from the RWQCP to recycled water users, while continuing to contribute flow and protection of water quality and biological resources of the Santa Ana River. The Project will increase the City's ability to rely on localized water supplies to meet domestic water needs and will enable the City to decrease reliance on imported water supplies, such as State Water from the Sacramento-San Joaquin Bay Delta. Without this Project, the City will be forced to rely more heavily on imported supplies as the City's population increases. As stated above, the City is currently utilizing nearly all of its adjudicated groundwater rights in the Riverside North and Bunker Hill Basins.

18. The City anticipates using the recycled water for several types of projects within the Project area, including: Landscape Irrigation within City Limits, Industrial/Commercial uses within City Limits, Non-Agricultural uses outside City Limits, and Agricultural uses within and outside the City limits. The City anticipates that there is a potential demand for approximately 21,400 afa of treated water for landscape irrigation and municipal/industrial use within and outside the City limits. Seventy percent of this anticipated irrigation need is comprised of

schools, golf courses and parks. Approximately 2,700 afa of the total could be used for irrigation and industrial/commercial uses outside the City. Finally, the City estimates that up to 20,000 afy of treated water could be used in the Riverside and surrounding areas for agricultural uses.

19. The City proposes to distribute recycled water throughout the City and to connection points in the community services districts that currently use the RWQCP: Jurupa and Rubidoux.

20. The Master Plan contemplates development of capital improvements, which include the core distribution system, Phase 1 expansion, Citywide distribution facilities, and the agricultural use system. The core distribution system will consist of the initial modifications to the RWQCP facilities to enable the final effluent to be redirected to new pump stations, storage tanks, and transmission pipelines prior to reaching the plant outfall and constructed channel, in order to provide recycled water for landscape irrigation and other municipal and industrial uses within the project area. Phase 1 expansion is the initial phase of the distribution system and will improve the existing system to expand delivery capacity within a two mile radius of the RWQCP. City wide distribution facilities will expand the Phase I facilities to reach all identified markets within the City and those agencies identified in the Master Plan. The Agricultural Use System is a combination of short- and long-term projects to develop a system to deliver recycled water for agricultural uses.

21. The City contemplates developing a series of pump stations and storage tanks to minimize and dampen the peak demands on the system and ensure a continuous and regular flow of treated effluent to the wetlands and Santa Ana River.

22. At no time will the City discharge less than 25,000 afy to the River. Upon completion of the Project, the City expects discharges to be approximately 26,000 afy. This is significantly more than the 15,250 afy the City is required to discharge pursuant to the stipulation

between the City and Western Municipal Water District dated November 30, 1968, which was ultimately incorporated into the Judgment in Orange County Water District v. City of Chino, et al. (Orange County Superior Court No. 117628, April 17, 1969). (See Applicants' Joint Ex. 2-1.)

23. On March 29, 2007, the City signed a Stipulation with the California Department of Fish and Game ("CDFG") that resolved CDFG's protest to the City's Application 31372 and stated that CDFG would not protest the City's Wastewater Change Petition WW-0045. The Stipulation provides, among other things, that "[t]he Parties do not anticipate an impact on fish, wildlife or other instream beneficial uses . . . as a result of City's requested appropriation described in Application 31372 or Wastewater Change Petition WW-0045." Pursuant to the Stipulation, the City has committed to continue its existing monitoring of the effluent flows and report the results of such monitoring annually to CDFG. The Parties have also agreed to meet with CDFG to address any impacts should they occur in the future. The Stipulation provides that the City present the Stipulation as evidence at the hearing regarding Application 31372 and WW-0045. A true and correct copy of the Stipulation is attached as Riverside Ex. 1-5.

24. On April 13, 2007, the United States Forest Service indicated that it would dismiss its protest to the City's Application 31372. We expect the Parties to execute a Stipulation to that effect prior to the Hearing.