

November 4, 2016

Dr. Bob Harrington Inyo County Water Department 135 South Jackson Street Independence, CA 93526

RE: Summary of Hydrologic Monitoring Activities, October 2016 Rose Valley, Inyo County, California Hay Ranch Project Conditional Use Permit #2007-03

Dear Dr. Harrington:

This letter summarizes hydrologic monitoring activities conducted in October 2016 by TEAM Engineering & Management, Inc. (TEAM), related to the Hay Ranch Water Extraction Project and CUP #2007-03.

Background

As outlined in the Hay Ranch Water Extraction Final EIR's Hydrologic Monitoring and Mitigation Plan (HMMP), Phase 1: Monitoring System Setup and Supplemental Data Collection occurred prior to December 25, 2009 at monitoring points throughout Rose Valley. With the initiation of pumping by Coso Operating Company, LLC (COC) on December 25, 2009, the Hay Ranch Water Extraction Project entered into the Phase 2: Startup Monitoring and Reporting period. Phase 3: Model Recalibration and Redefinition of Pumping Rates and Durations occurred from September 2010 to April 2011, with recalibration of the groundwater model by Daniel B. Stephens & Associates (DBS&A) and with redefinition of pumping rates and durations by Invo County Water Department (ICWD). With the April 1, 2011 issuance of the ICWD's "Addendum to the HMMP for CUP#2007-003/Coso Operating Company, LLC" (2011 ICWD Addendum) the project entered Phase 4: Ongoing Monitoring, Mitigation and Reporting. In 2013 further model revision occurred with results and new trigger levels detailed in ICWD's August 30, 2013 letter to COC regarding Conditional Use Permit #2007-003/Coso. In June 2014 further model revision was conducted by DBS&A with results and new trigger levels detailed in ICWD's June 27, 2014 letter to COC regarding Conditional Use Permit #2007-003/Coso. On June 20, 2016 the ICWD extended the June 30, 2016 cessation of pumping date to September 30, 2016 which allowed COC to pump up to the remaining volume from the 1,614 AF allowed for the previous year, as long as all other conditions of the CUP #2007-03 were adhered to.

From June 15, 2016 through October 12, 2016, Coso Operating Company has pumped about 40 AF of groundwater from the Hay Ranch project. As of October 12, 2016 COC was about 186 AF below their 1,614 AF annual limit for the extended pumping period of June 30, 2015 to September 30, 2016. With the current cessation of pumping, the Hay Ranch Project has entered a water-table recovery monitoring phase.

In June through October 2016, two trigger levels in project wells (Lego and Little Lake Ranch North Well) had been exceeded while seven others remained above their trigger levels. It had been anticipated by the project's groundwater model that water levels in wells located near the Hay Ranch production pumping would begin to recover after cessation of pumping but that groundwater levels in many wells located more distant from Hay Ranch would continue to drop after the cessation of pumping. This lag effect is due to the cone of depression from the Hay Ranch pumping communicating and equalizing southward through groundwater flow in Rose Valley. Field measurements of groundwater levels in Cal

Pumice, HR 1A-1C, HR 2A-2C, Coso Junction Store and Coso Junction Ranch wells (northern wells with proximity to the Hay Ranch) indicate that groundwater levels have begun to recover since June 2016. Groundwater levels in Lego, G36, Cinder Road, Little Lake North wells (southern wells more distant from Hay Ranch) have continued to decline since the cessation of pumping; which supports model predictions.

Groundwater level monitoring will continue in Rose Valley to track the continued changes in groundwater levels (both recovery and/or decline) and to continue to monitor the Little Lake system. As outlined in the June 27, 2014 letter from the ICWD to COC, existing trigger levels were set through June 30, 2016. These triggers are no longer an accurate predictor of potential impacts to Little Lake Ranch groundwater discharge, but these triggers will continue to be reported as a frame of reference. As more post-pumping data is collected, an additional groundwater model recalibration could be conducted to determine the ongoing accuracy of the Rose Valley groundwater model's predictions and determine whether any additional groundwater pumping by COC could be considered without causing a 10% or greater decline in water flowing into Little Lake.

Monitoring and Reporting

During the October 2016 monthly hydrologic data collection event at the monitoring locations in the Rose Valley area, static depth-to-water (DTW) measurements, one visual observation of the Little Lake Ranch (LLR) Siphon Well Outflow and three sets of flow rates were collected by TEAM, as summarized in the attached table (Table 1). Data for this monthly field event was collected on October 12 and 13, 2016. Pressure transducer data was downloaded from monitoring units. A "BaroTroll" which records barometric pressure was not downloaded due to malfunction and was replaced on October 19, 2016. Also in October, a DTW measurement from LADWP 816 Well was requested from LADWP personnel.

Figure 1 presents the combined amount of groundwater pumped from the Hay Ranch North and South wells, in acre-feet, from December 25, 2009 through October 12, 2016 compared to the maximum allowable pumping amounts. The total amount of groundwater extracted from the Hay Ranch property from December 25, 2009 to October 12, 2016 (Hay Ranch CUP project total) is approximately 16,504 AF. The maximum allowable pumping rate was 3,000 acre-feet per year (AFY) for December 25, 2009 through December 31, 2010; was 4,839 AFY from January 1, 2011 through August 30, 2013; was 3,040 AFY from September 2013 through June 2014; is 1,614 AFY from July 1, 2014 to June 30, 2016; extended by ICWD to September 30, 2016. As indicated on Figure 1, Coso Operating Company has pumped less than the maximum allowable amount of groundwater from the Hay Ranch Wells, for each respective period.

For the most recent pumping rate period (July 1, 2015 to September 30, 2016) an estimated 1,427 AF of groundwater, of the 1,614 AF allowable, were extracted from the Hay Ranch Property.

Trigger Levels and Maximum Acceptable Drawdowns

In Table 1 of the June 27, 2014 ICWD Letter to Coso Operating Company, Drawdown at Cessation of Pumping Trigger Levels (Trigger Levels) and Maximum Acceptable Drawdowns have been set for specific monitoring wells, based on a maximum allowable pumping rate of 1,614 AFY starting on July 1, 2014.

Based on the manual depth to water (DTW) data collected by TEAM on October 12 and 13, 2016, the Water Levels at the Lego Well and Little Lake Ranch North Well (LLR North) were measured in exceedance of their Trigger Levels by 0.18 feet and 0.34 feet, respectively.

The GWE at Lego was measured at 12:21 on October 12, 2016 was 3198.33 feet. The Trigger Level for Lego well is 0.70 feet. The Lego GWE has decreased by 0.88 feet compared to its 2010 baseline (3199.21), exceeding its Trigger Level. On October 12, 2016, Lego GWE was 1.52 feet above its Maximum Acceptable Drawdown level.

The GWE at LLR North as measured at 10:28 on October 13, 2016, was 3158.14 feet. The Trigger Level for LLR North is 0.40 feet. The LLR North GWE has decreased by 0.74 feet compared to its 2010 baseline (3158.88), exceeding its Trigger Level. On October 13, 2016, the LLR North GWE was 0.56 feet above its Maximum Acceptable Drawdown level.

Based on data collected by TEAM during the September to October 2016 monitoring period, none of the other Trigger Levels were exceeded at Hay Ranch Project monitoring wells which have baselines and trigger levels established (Table 2). No Maximum Acceptable Drawdown levels have been reached during COC pumping under CUP #2007-03.

Operational Notes

During the September to October 2016 period, the BaroTroll transducer, which measures barometric pressure and is used to adjust non-vented project transducers, ceased to work. The BaroTroll was replaced on October 19, 2016. Due to the inability to adjust non-vented project transducers for barometric flux, transducer data for the reporting period was not used in hydrographs. There were no other significant operational issues during the reporting period.

Data Transmittal

TEAM posted updates to the "Coso" database on the ICWD web server. Current Hay Ranch Project hydrographs in PDF form were uploaded to the ICWD website (<u>www.inyowater.org</u>).

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If you have any questions or require additional information, please contact TEAM at your convenience.

Sincerely,

TEAM Engineering & Management, Inc.

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Greg M. Foote Senior Environmental Scientist

TABLE 1 Field Observations of Rose Valley Hydrologic Monitoring Points October 2016

Project Name:	Hay Ranch Project HMMP			Date: October 12-13, 2016			1		
Location:	Rose Valley, Inyo County								
Observer(s):	G. Foote			Page: 1 of 1					
							-		
Well ID	Monitoring Point	Date	Time	DTW	Flow	GWE	Method	Transducer	Notes
				(ft)	(cfs)	(ft amsl)		Log Interval	
RV-10	Dews	NM	NM	NM	NA	NM	TEAM manual read	NA	
RV-20	LADWP 816	NA	NA	NA	NA	NA	LADWP manual read	NA	Data provided by LADWP
RV-30	Cal Pumice	10/12/16	9:50	254.82	NA	3251.07	TEAM manual read	Hourly	
RV-40	Dunmovin	NM	NM	NM	NA	NM	TEAM manual read	NA	Discontinued due to new in-well infrastructure
RV-50	Hay Ranch North	10/12/16	12:56	NM	No	NM	TEAM manual read	NA	3,340,544,039 gallons (10,252 AF) pumped since 12/25/09
RV-60	Hay Ranch 1A	10/12/16	13:13	200.83	NA	3231.34	TEAM manual read	Hourly	
RV-61	Hay Ranch 1B	10/12/16	13:08	209.11	NA	3222.74	TEAM manual read	Hourly	
RV-62	Hay Ranch 1C	10/12/16	13:01	206.41	NA	3225.09	TEAM manual read	NA	
RV-70	Hay Ranch South	10/12/16	12:57	NM	No	NM	TEAM manual read	NA	2,037,161,677 gallons (6,252 AF) pumped since 12/25/09
RV-80	Hay Ranch 2A	10/12/16	13:36	202.22	NA	3230.78	TEAM manual read	Hourly	
RV-81	Hay Ranch 2B	10/12/16	13:30	312.39	NA	3219.24	TEAM manual read	Hourly	
RV-82	Hay Ranch 2C	10/12/16	13:27	205.93	NA	3226.17	TEAM manual read	NA	
RV-90	Coso Jct Ranch	10/12/16	10:35	175.49	NA	3227.64	TEAM manual read	NA	
RV-100	Coso Jct Store #1	10/12/16	10:05	147.58	NA	3224.54	TEAM manual read	Hourly	
RV-110	Davis Ranch North Well	10/12/16	10:52	6.58	NA	3886.48	TEAM manual read	Hourly	
RV-111	Davis Ranch South Well	10/12/16	11:03	13.60	NA	3884.46	TEAM manual read	Hourly	Pump installed in DR South well
RV-112	Davis Ranch South Flow	NM	NM	NM	NM	NM	NM	NA	Discontinued: Flow actively managed
RV-120	Red Hill Well (BLM)	10/12/16	10:19	140.91	NA	3199.92	TEAM manual read	Hourly	
RV-130	G-36	10/12/13	12:28	182.56	NA	3197.46	TEAM manual read	NA	
RV-140	Lego	10/12/16	12:21	224.52	NA	3198.33	TEAM manual read	Hourly	
RV-150	Cinder Road	10/19/16	10:22	192.03	NA	3186.05	TEAM manual read	Hourly	
RV-160	18-28 GTH	10/12/16	12:05	174.83	NA	3187.75	TEAM manual read	NA	
RV-170	Fossil Falls Campground	10/12/16	11:54	141.91	NA	3174.86	TEAM manual read	NA	
RV-180	LLR North Well	10/13/16	10:28	40.96	NA	3158.14	TEAM manual read	Hourly	
RV-210	LLR Dock Well	10/13/16	NM	NM	NA	NA	TEAM manual read	NA	Pump installed in Dock Well, DTW not measured
RV-220	LLR Stilling Well (lake surface)	10/13/16	10:57	4.63	NA	3146.41	TEAM manual read	Hourly	
RV-230	LLR Little Lake Outflow	10/13/16	11:20	NA	0.00	NA	TEAM manual read	Hourly	
RV-240	LLR Coso Springs Flow	10/13/16	11:32	NA	0.36	NA	TEAM manual read	Hourly	
RV-245	LLR North Culvert Flow	10/13/16	11:54	NA	2.69	NA	TEAM manual read	Hourly	
RV-250	LLR Siphon Discharge	10/13/16	11:46	NA	Yes	NA	TEAM visual read	NA	Siphon Well flowing into Pond 2
RV-260	LLR Hotel Well	10/13/16	10:05	0.85	NA	3137.93	TEAM manual read	NA	

NM - not measured; NA - not applicable; IO - Inoperative; UA - Data currently unavailable

DTW - Depth to water in feet (ft) below top of casing or other reference point; a negative DTW indicates that the groundwater elevation is above the surveyed reference point

Flow - In cubic feet per second (cfs)

GWE- Groundwater elevation in feet above mean sea level (ft amsl)

TABLE 2 Hay Ranch Project Groundwater Baselines and Trigger Levels October 2016

Well ID	Monitoring Point	Monitoring Point Baseline GWE ¹ Recent Date		Recent GWE Recent GWE		Drawdown	Recent GWE	Recent GWE
			of Measurement		Compared to Baseline	Trigger Level ³	Compared to Trigger Level	Above Max DD ²
		(feet amsl)		(feet amsl)	(feet)	(feet)	(feet)	(feet)
RV-80	HR 2A	3240.92	10/12/16	3230.78	-10.14	15.3	5.16	6.36
RV-90	Coso Jct Ranch	3230.65	10/12/16	3227.64	-3.01	9.30	6.29	6.29
RV-100	Coso Jct Store #1	3227.59	10/12/16	3224.54	-3.05	8.30	5.25	5.35
RV-120	Red Hill Well	3200.66	10/12/16	3199.92	-0.74	3.00	2.26	3.06
RV-130	G-36	3198.35	10/12/16	3197.46	-0.89	2.20	1.31	2.41
RV-140	Lego	3199.21	10/12/16	3198.33	-0.88	0.70	-0.18	1.52
RV-150	Cinder Road	3186.92	10/19/16	3185.93	-0.99	1.00	0.01	1.31
RV-160	18-28 GTH	3187.67	10/12/16	3187.75	0.08	0.70	0.78	2.18
RV-180	LLR North Well	3158.88	10/13/16	3158.14	-0.74	0.40	-0.34	0.56

1) GWE: Groundwater elevation measured in feet above mean sea level. Baseline GWEs set January 2010 and March 2011 and approved by Inyo County Water Department (ICWD)

2) Max DD: Maximum Acceptable Drawdown from Table 1 of ICWD's "June 27, 2014 Conditional Use Permit#2007-003/Coso "

3) "Trigger Level at Cessation of Pumping" from Table 1 of ICWD's "June 27, 2014 Conditional Use Permit#2007-003/Coso".

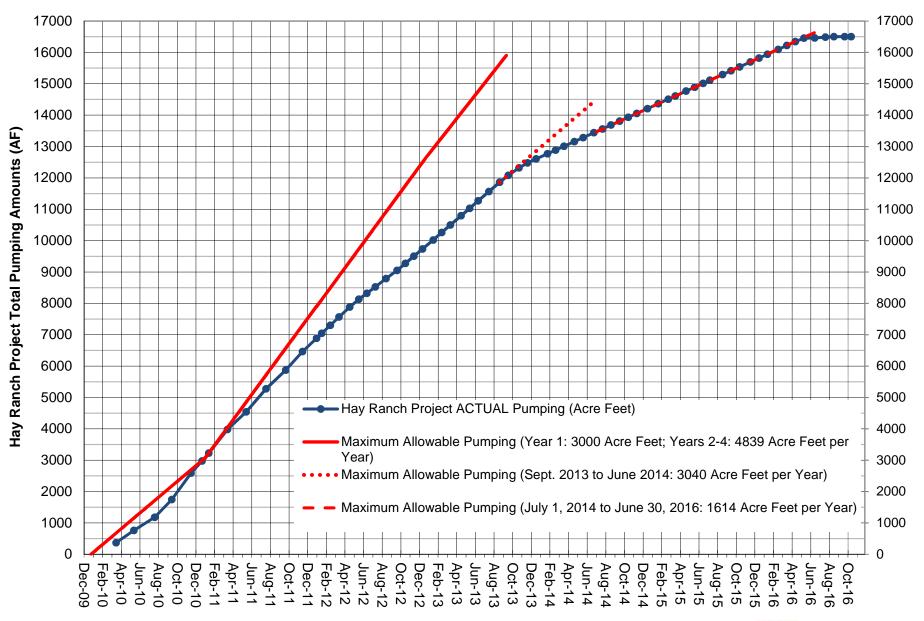


FIGURE 1 ACTUAL AND MAXIMUM ALLOWABLE PUMPING AMOUNTS (TOTALS) FOR HAY RANCH PROJECT

Note: The "maximum allowable pumping" is based on a pumping rate of 3000 AF/yr for 12/09 to 12/10, 4839 AF/yr for 1/11 to 8/13, 3040 AF/yr from 9/13 to 6/14, and 1,614 AF/yr from 7/14 to 6/16.

TEAM ENGINEERING & MANAGEMENT, INC. Bishop and Mammoth Lakes, California 10/21/2016