

SAWPA

SANTA ANA WATERSHED PROJECT AUTHORITY

11615 Sterling Avenue, Riverside, California 92503 • (951) 354-4220

AGENDA

SPECIAL MEETING OF THE PROJECT AGREEMENT 23 COMMITTEE

Santa Ana River Conservation and Conjunctive Use Program (SARCCUP)

Committee Members:

Thomas P. Evans, Western Municipal Water District Governing Board President
Jasmin A. Hall, Inland Empire Utilities Agency Governing Board Secretary/Treasurer
Susan Lien Longville, San Bernardino Valley Municipal Water District Governing Board President [Acting Chair]
Paul D. Jones, Eastern Municipal Water District General Manager
Michael Markus, Orange County Water District General Manager

TUESDAY, APRIL 4, 2017 – 10:30 A.M.

[Immediately following the regular meeting of the SAWPA Commission.]

1. <u>CALL TO ORDER</u> (Susan Lien Longville, Acting Chair)

2. PUBLIC COMMENTS

Members of the public may address the Committee on items within the jurisdiction of the Committee; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).

3. <u>ACKNOWLEDGE NEW COMMITTEE MEMBERS AND ELECTION OF COMMITTEE</u> CHAIR AND VICE CHAIR

4. <u>SET REGULAR PA 23 COMMITTEE MEETING SCHEDULE</u>

Recommendation: Regular meetings of the PA 23 Committee shall be held immediately following the regular meeting of the SAWPA Commission, but no earlier than 10:30 a.m., on the first Tuesday of every other month, at SAWPA, 11615 Sterling Avenue, Riverside, California.

- 5. APPROVAL OF MEETING MINUTES: JANUARY 26, 2017

 Recommendation: Approve as posted.
- 6. COMMITTEE DISCUSSION ITEMS

Presenters: SARCCUP Agencies

Recommendation: Support a change order to the contract with CH2M to run the Decision Support Model to evaluate new project facilities.

| B. | SUPPORT REQUEST FOR PROPOSALS FOR SARCCUP MASTER PLAN (PA23#2017.2) | | | | |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|
| | Presenter: SBVMWD | | | | |
| | Recommendation: Support a request for proposals (RFP) to be issued by SBVMWD on behalf of the SARCCUP agencies to acquire consultant support in developing the SARCCUP Master Plan. | | | | |
| INFO | DRMATIONAL REPORTS | | | | |
| | mmendation: Receive and file the following oral/written reports/updates. | | | | |
| A. | SARCCUP DETAILED SCHEDULE Presenters: RMC Woodard & Curran | | | | |
| B. | CALIFORNIA ENVIRONMENTAL QUALITY ACT DOCUMENTS STATUS Presenter: IEUA | | | | |
| C. | SARCCUP CONSERVATION MEASURES COST SHARING AGREEMENT Presenter: WMWD | | | | |
| D. | METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AGREEMENTS STATUS Presenters: EMWD SBVMWD | | | | |
| E. | SUB-AGREEMENTS STATUS Presenter: SAWPA | | | | |

8. COMMITTEE MEMBER REQUESTS FOR FUTURE AGENDA ITEMS

9. ADJOURNMENT

PLEASE NOTE:

F.

7.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Clerk of the Board at (951) 354-4230. Notification at least 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility to this meeting.

PROJECT AGREEMENT 23 COMMITTEE REPRESENTATION UPDATE AND

Materials related to an item on this agenda submitted to the Committee after distribution of the agenda packet are available for public inspection during normal business hours at the SAWPA office, 11615 Sterling Avenue, Riverside, and available at www.sawpa.org, subject to staff's ability to post documents prior to the meeting.

Declaration of Posting

| , Kelly Berry, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on Thursday, March 30, 2017, a |
|-----------------------------------------------------------------------------------------------------------------------------------------------|
| copy of this agenda has been uploaded to the SAWPA website at www.sawpa.org and posted in SAWPA's office at 11615 |
| Sterling Avenue, Riverside, California. |

| /s/ | | |
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| Kellv Berrv. CMC | | |

MEETING SCHEDULE Presenter: SAWPA

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2017 Project Agreement 23 Committee Regular Meetings

Fourth Thursday of Every Other Month

(Note: All meetings will be held immediately following the regular meetings of the PA 22 Committee, but no earlier than 8:30 a.m., unless otherwise noticed, and are held at SAWPA.)

| January | |
|-----------|---------------------------------------|
| 1/26/17 | Regular Committee Meeting |
| March | |
| 3/23/17 | Regular Committee Meeting [cancelled] |
| April | |
| 4/4/17 | Special Committee Meeting |
| May | |
| 5/25/17 | Regular Committee Meeting |
| July | |
| 7/27/17 | Regular Committee Meeting |
| September | |
| 9/28/17 | Regular Committee Meeting |
| November | • |
| 11/16/17* | Regular Committee Meeting* |

^{*} Meeting date adjusted due to conflicting holiday.

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PROJECT AGREEMENT 23 COMMITTEE

Santa Ana River Conservation and Conjunctive Use Program (SARCCUP)

REGULAR MEETING MINUTES

January 26, 2017

COMMITTEE MEMBERS PRESENT

Paul D. Jones, General Manager, Eastern Municipal Water District
P. Joseph Grindstaff, General Manager, Inland Empire Utilities Agency [Vice Chair]
Michael Markus, General Manager, Orange County Water District
Thomas P. Evans, Vice President, Western Municipal Water District

ALTERNATE COMMITTEE MEMBERS PRESENT [Non-Voting]

None.

COMMITTEE MEMBERS ABSENT

Douglas Headrick, General Manager, San Bernardino Valley Municipal Water District [Chair]

MEMBER AGENCY STAFF PRESENT

Eastern Municipal Water District San Bernardino Valley Municipal Water District

Brian Powell Kelly Gage Gordon Ng

Inland Empire Utilities Agency Western Municipal Water District

Sylvie Lee

Craig Miller Tim Barr Ryan Shaw

Bob Tincher

Orange County Water District

Adam Hutchinson

Santa Ana Watershed Project Authority
Larry McKenney
Mark Norton
Dean Unger
Sara Villa

OTHERS PRESENT

Margie Armstrong, EVMWD
Jesus Gastelum, EVMWD
Brian Dietrick, RMC Woodard & Curran
Scott Goldman, RMC Woodard & Curran
Armin Munevar, Ch2M
Marcelo Reginato, Ch2M

1. CALL TO ORDER

The regular meeting of the PA 23 Committee was called to order at 8:48 a.m. by Vice Chair Grindstaff at the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California.

2. PUBLIC COMMENTS

There were no public comments.

3. APPROVAL OF MEETING MINUTES: DECEMBER 22, 2016

Vice Chair Grindstaff called for a motion to approve the meeting minutes.

MOVED, approve December 22, 2016 meeting minutes.

Result: Adopted (Unanimously; 4-0)

Motion/Second: Evans/Jones

Ayes Evans, Grindstaff, Jones, Markus

Nays: None
Abstentions: None
Absent: Headrick

Awaiting the arrival of Armin Munevar of Ch2M before considering Agenda Item No. 4.A., the Committee next considered Agenda Item Nos. 5.A., 5.B., 5.C., 5.D., and 5.E.

4. COMMITTEE DISCUSSION ITEMS

A. SARCCUP DECISION SUPPORT MODEL

Armin Munevar, Ch2M, provided a PowerPoint presentation on the SARCCUP Decision Support Model (DSM). The presentation provided an overview of the following:

- SARCCUP Goals and Objectives
- Major Assumptions of SARCCUP Scenarios
- Cost Assumptions
- DSM Cost Inputs
- Preliminary SARCCUP Cost Results (Treated)
- SARCCUP Facility Usage

Munevar noted that a number of DSM costs were reduced due to Valley storing water through SBBA. Committee Member Jones questioned if the in-lieu exchange of \$313/AF calculation only includes the treatment surcharge and do we have the capability to monitor it. Munevar said that it currently only includes the treatment surcharge, though it can be built to monitor. Discussion ensued regarding the recharge and capacity charge amount, as well as the SARCCUP facility usage. Vice Chair Grindstaff recommended consulting within the member agencies to see if there is a perceived benefit in building the baseline feeder and coming up with the money amongst them in order to reduce future costs. Larry McKenney noted that changing where the capital money goes for instance, the baseline feeder, would require an Amendment to the Grant Agreement. Munevar provided the following schedule of the remaining DSM work:

- Final Cost and Conveyance Reviews
- Final DSM Simulations
- Draft Model Documentation (January 31)
- Draft Master Plan Scope of Work (January 31)
- Final Model Documentation and Master Plan Scope of Work (February 21)

This item was for informational purposes; no action was taken on Agenda Item No. 4.A.

5. INFORMATIONAL REPORTS

A. PROJECT AGREEMENT 23 MODIFICATIONS STATUS

McKenney provided an oral report of the Project Agreement 23 (PA 23) modifications status. The committee was interested in exploring a change in the terms of PA 23, which would require action of the commission and member agency boards, to change the composition of the Committee to SAWPA Commissioners. McKenney developed a draft Amendment to the PA 23 Agreement and distributed it to the general managers for review. No comments have been received. Vice Chair Grindstaff noted that the draft Amendment has been forwarded to their legal counsel. Committee Member Jones stated they are in the process of accumulating and submitting their comments, noting his support that the Committee instead be comprised of SAWPA Commissioners. However, he noted his desire that the following remain unchanged in the PA 23 Agreement:

- Section 11 (Annual Reporting) there be separate annual reporting for PA 23, as a traditional project committee.
- Sections 12 & 13 (Committee Member Financial Responsibilities) if one of the Committee Members were to drop out in the future, that they continue to function under the same project committee format.
- Section 9 (Recognition) have an as-needed technical advisory workgroup to assist with implementation and to retain the necessary technical expertise.
- Section 3 (Reference to SAWPA's potential ownership of facilities) strike out the reference of ownership.

McKenney reminded that any such changes would require Commission and member agency governing board approval. McKenney clarified Section 9 addresses technical advisory participants and envisions this Committee naming non-member agency representatives as non-voting members of this committee. The purpose of that provision was to allow agencies who may actually own and operate facilities that are part of the project, like EVMWD and YVWD, to have a way to participate. Committee Member Evans raised concern over the amount of time expended to rewrite an agreement that doesn't need to be rewritten. Committee Member Jones noted that if they can't come to a consensus then they are fine with the way it is. Committee Member Markus suggested addressing the reference to SAWPA's potential ownership of facilities. Vice Chair Grindstaff noted that he would want to be freed from Brown Act meeting limitations because to gain an ability to meet and negotiate on some issues that are really pertinent to PA 23. Vice Chair Grindstaff advised that if there were no change to the Project Agreement, he would seek removal by his Board and appointment of an IEUA Board member to the Committee; Committee Member Markus noted he would do the same. Committee Member Jones said he would provide written comments to McKenney and requested that this item be placed as a future informational agenda item for discussion before it goes to Commission.

B. <u>SARCCUP DETAILED SCHEDULE</u>

Brian Dietrick of RMC provided a PowerPoint Presentation on the SARCCUP Detailed Schedule. The detailed project schedule roll up was displayed by agency and each category (Agreement/CEQA/Permitting/Design/Construction) indicated how it is reflected in

the overall schedule. Committee Member Markus questioned if IEUA's institutional issues with MWD were captured in the current schedule. Dietrick noted that the MWD Agreement is included under SAWPA since it is a universal event that applies to everyone. Committee Member Evans raised concern if construction would begin without first having an agreement in place. Vice Chair Grindstaff noted current IEUA efforts within the Chino Basin and regarding CEQA. Dietrick advised that the schedule would be updated monthly.

C. GRANT AGREEMENT AND SUB-AGREEMENTS STATUS

Mark Norton provided an oral update on the Grant Agreement and Sub-Agreements status. The DWR Grant Agreement was executed in November. The sub-agreements are nearly finalized, the legal issues have been addressed and there is a planning managers meeting scheduled this afternoon. Norton noted that most of the agencies are planning on taking their sub-agreements to their Board in February. Vice Chair Grindstaff and Committee Member Markus noted that they will take the sub-agreements to their respective Boards this month as there are remaining issues staff is working through. Norton advised that there is no deadline on submittal of the sub-agreements, though that timing will impact how quickly grant funds are distributed.

D. <u>METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AGREEMENTS STATUS</u>

Committee Member Jones provided and oral update on the MWD Agreement status. He noted that he met with Debra Man of MWD on the proposal for the Conjunctive Use Project and she advised their legal counsel is in the process of reviewing the proposal of the agreement and will soon go to the management team for discussion. Committee Member Jones noted that they are proposing various elements that include water from Valley included as part of the SARCCUP project and how it would be credited under a water shortage contingency. It is anticipated a first phase proposal response from MWD will be forthcoming in the near future.

E. CALIFORNIA ENVIRONMENTAL QUALITY ACT DOCUMENTS STATUS

Sylvie Lee, IEUA provided an oral update on the CEQA status. Public comments were received and the tribal consultation, as well as other agencies, requested having face-to-face meetings. Tom Dodson and ESA are in the process of working together to review and respond to other comments received.

6. COMMITTEE MEMBER REQUESTS FOR FUTURE AGENDA ITEMS

There were no requests for future agenda items.

7. ADJOURNMENT

There being no further business for review, Vice Chair Grindstaff adjourned the meeting at 10:03 a.m.

PA23 Committee Regular Meeting Minutes January 26, 2017 Page 5

| Approved at a Special Meeting of the 2017. | Project Agreement 23 Committee on Tuesday, April 4, |
|--------------------------------------------|-----------------------------------------------------|
| Susan Lien Longville, Acting Chair | - |
| Attest: | |
| Kelly Berry, CMC Clerk of the Board | - |

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COMMITTEE MEMORANDUM NO. 2017.1

DATE: April 4, 2017

TO: SAWPA Project Agreement 23 Committee

SUBJECT: Impact of Decision Support Model Results to SARCCUP Project Facilities

PREPARED BY: Mark Norton, Water Resources & Planning Manager

RECOMMENDATION

Support a change order to the contract that the SARCCUP agencies have with CH2M to run the Decision Support Model to evaluate new project facilities.

DISCUSSION

The SARCCUP agencies have utilized the SARCCUP DSM to demonstrate that the same 180,000 acre feet of water benefit from the SARCCUP conjunctive use project can be realized without building the Baseline Feeder (BLF) Extension in the Chino Basin and the aquifer storage recovery (ASR) wells in the Elsinore Basin. Based on these results, the SARCCUP agencies Planning Managers have suggested removing those project elements from SARCCUP.

If these project elements were deleted, a design and construction cost savings of approximately \$26.8 M for the BLF and \$5.9 M for the ASR wells (\$32.8 M total, including \$18.7M from grant funding) could potentially be allocated to new project facilities in the Santa Ana River Watershed. However, reallocation of saved grant funding is not a decision within PA23's control.

The DWR/SAWPA Proposition 84 Integrated Regional Water Management (IRWM) grant agreement includes detailed descriptions of the BLF and ASR components of SARCCUP in the scope of work. Removing the BLF and the ASR wells from the SARCCUP scope of work would require Department of Water Resources' approval through a Proposition 84 Integrated Regional Water Management (IRWM) grant agreement amendment. These modifications would require modifications to most of the Sub-Grantee agreements between SAWPA and the SARCCUP agencies. Moreover, saved grant funds could be allocated to projects in the watershed other than SARCCUP. Recommending allocation of grant funds to projects is a function of the OWOW Steering Committee.

Before removing elements of SARCCUP as described for the grant, the SARCCUP Planning Managers recommend that PA23 explore other actions that could be added to the SARCCUP scope to create additional benefits. A proposal to amend SARCCUP to drop some elements could then be accompanied by a proposal to use grant funds for new elements. New project facilities could include the La Sierra Pipeline (for IEUA – WMWD transfers), portions of the Riverside-Corona Feeder, the Campbell Pump Station and pipeline (for SBVMWD – WMWD transfers), the March Life Care intertie (for EMWD – WMWD transfers), additional wells in IEUA, utilizing storage in OCWD and optimizing more storage volume with the existing planned SARCCUP facilities.

In order to conduct additional analysis using the DSM to evaluate the long term water benefit from new project facilities, the SARCCUP agencies are asking the PA23 Committee to support a change order with CH2M for up to \$100,000, which will be funded by the SARCCUP agencies.

BACKGROUND

In January 2016, Inland Empire Utilities Agency, Eastern Municipal Water District, Orange County Water District, San Bernardino Valley Municipal Water District and Western Municipal Water District (Agencies) selected CH2M to develop the DSM that could be used to optimize SARCCUP facilities with the overarching goals to (1) simulate the anticipated operations of the facilities, (2) quantify the benefits, and (3) quantify the costs. The PA23 Committee received an update on the DSM at their December 2016 meeting.

The SARCCUP budget, which is included in the draft Sub-Grantee Agreements between SAWPA and the SARCCUP agencies, includes the individual BLR and ASR related tasks. The total cost savings of \$32.8 M from removing the BLF and the ASR wells includes \$14 M in local match and \$18.7 M in grant funding. The individual tasks with corresponding funding, cost share and total cost related to the BLF and ASR wells as defined in the current DWR/SAWPA grant agreement are shown below:

| Component | Grant Agreement Task | Grant Funding | Cost Share | Total Cost |
|-----------------|---------------------------------------------------------|------------------|------------------|------------------|
| | 8.1.1 Baseline Feeder Extension | \$ 1,129,268 | \$ 846,615 | \$ 1,975,883 |
| | 8.1.2 Municipal Interties on Baseline Feeder Extension | \$ 64,676 | \$ 48,488 | \$ 113,164 |
| | 8.1.3 Turnout on Baseline Feeder to San Sevain Creek | \$ 128,326 | \$ 96,206 | \$ 224,532 |
| Baseline Feeder | 8.1.4 Diversion on San Sevaine Creek to Recharge Basin | \$ 71,863 | \$ 53,875 | \$ 125,738 |
| Related Tasks | 12.1.1 Baseline Feeder Extension | \$ 11,292,680 | \$ 8,466,147 | \$ 19,758,827 |
| | 12.1.2 Municipal Interties on Baseline Feeder Extension | \$ 646,763 | \$ 484,879 | \$ 1,131,642 |
| | 12.1.3 Turnout on Baseline Feeder to San Sevaine Creek | \$ 1,283,259 | \$ 962,062 | \$ 2,245,321 |
| | 12.1.4 Diversion on San Sevaine Creek to Recharge Basin | \$ 718,625 | \$ 538,755 | \$ 1,257,380 |
| | Baseline Feeder Sub-Total | \$ 15,335,460 | \$ 11,497,027 | \$ 26,832,487 |
| ASR Related | 8.4 Design: Elsinore Conjunctive Use Program | \$ 308,624 | \$ 231,376 | \$ 540,000 |
| Tasks | 12.4 - Elsinore Conjunctive Use Program | \$ 3,086,240 | \$ 2,313,760 | \$ 5,400,000 |
| | ASR Sub-Total | \$ 3,394,864 | \$ 2,545,136 | \$ 5,940,000 |
| | | | | |
| | Total | \$ 18,730,324 | \$ 14,042,163 | \$ 32,772,487 |

CRITICAL SUCCESS FACTORS

The following OWOW critical success factors are addressed by this action:

- 1. Administration of the OWOW process and plan in a highly efficient and cost-effective manner.
- 2. Data and information needed for decision-making is available to all.

RESOURCE IMPACTS

The SARCCUP agencies current contract amount with CH2M is \$250,000. A change order for approximately \$100,000 to the CH2M contract could be funded by the SARCCUP agencies.

COMMITTEE MEMORANDUM NO. 2017.2

DATE: April 4, 2017

TO: SAWPA Project Agreement 23 Committee

SUBJECT: Support Request for Proposals for SARCCUP Master Plan

PREPARED BY: Ian Achimore, Senior Watershed Manager

RECOMMENDATION

It is recommended that the PA 23 Committee support a request for proposals (RFP) to be issued by SBVMWD on behalf of the SARCCUP agencies to acquire consultant support in developing the SARCCUP Master Plan.

DISCUSSION

Per the Proposition 84 Integrated Regional Water Management Grant Agreement with the Department of Water Resources, the SARCCUP agencies are to develop a SARCCUP Master Plan. The Master Plan, which will be funded entirely by the SAWPA member agencies without grant funding, is intended to assist in conducting long term planning for the SARCCUP Conjunctive Use Program including future phased facilities and operational configuration as well as to support future grant opportunities.

The SAWPA member agencies have indicated that the DSM development was the first step in the SARCCUP Master Plan. Using the existing DSM model as a foundation, planning future phases will use the DSM, which can be updated, to enable the agencies to optimize and simulate anticipated operations of the facilities. This will allow them to meet overarching goals of SARCCUP to simulate the anticipated operations of the facilities, quantify the benefits, and quantify the costs.

Like the CH2M contract, San Bernardino Valley Municipal Water District (SBVMWD) will be the lead for issuing the RFP and will directly contract with the selected consultant following a competitive selection and PA 23 Committee approval. SBVMWD will issue a cost sharing agreement with each of the SARCCUP agencies to share in the costs equally.

CRITICAL SUCCESS FACTORS

The following OWOW critical success factors are addressed by this action:

- 1. Administration of the OWOW process and plan in a highly efficient and cost-effective manner.
- 2. Data and information needed for decision-making is available to all.

RESOURCE IMPACTS

The SARCCUP budget, which is included in the draft Sub-Grantee Agreements between SAWPA and the SARCCUP agencies, includes Task 5 for development of the Master Plan. The total cost of the Master Plan is to be provided by an equal split shared by each of the five SAWPA member agencies. Per the Grant Agreement, the cost share does not need to be reported to DWR during the implementation of SARCCUP, but financial documentation will be retained in a central database throughout the implementation process.

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SARCCUP Schedule Roll-Up (By Agency)





