



S A W P A

SANTA ANA WATERSHED PROJECT AUTHORITY
11615 Sterling Avenue, Riverside, California 92503 • (951) 354-4220

AGENDA **[Amended]**

REGULAR MEETING OF THE PROJECT AGREEMENT 23 COMMITTEE

Santa Ana River Conservation and Conjunctive Use Program (SARCCUP)

Committee Members:

- Katie Parker, Chair, Inland Empire Utilities Agency Governing Board
- Brenda Dennstedt, Vice Chair, Western Municipal Water District Governing Board
- Susan Lien Longville, San Bernardino Valley Municipal Water District Governing Board
- Paul D. Jones, Eastern Municipal Water District General Manager
- Michael Markus, Orange County Water District General Manager

TUESDAY, APRIL 2, 2019 – 8:30 A.M.

1. **CALL TO ORDER** (Kati Parker, 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. **APPROVAL OF MEETING MINUTES: February 5, 2019** 3

Recommendation: Approve as posted.

4. **COMMITTEE DISCUSSION ITEMS**

A. **SARCCUP CONJUNCTIVE USE PROJECT CHANGES (PA23#2019.1)** 7

Presenter: SAWPA | Ian Achimore

Recommendation: Approve the following, (1) Changes in SARCCUP project facilities, associated groundwater basin storage amounts, the total SARCCUP storage amount, and other related changes; and, (2) Execution of a Grant Agreement Amendment No. 2 with DWR as well as Sub-Grantee agreement amendments with the SAWPA member agencies that incorporate these changes.

- B. [PROJECT AGREEMENT 23 COMMITTEE BUDGET FOR FISCAL YEARS ENDING 2020 and 2021 \(PA23#2019.2\)](#)11
Presenter: Ian Achimore
Recommendation: Adopt the PA 23 Committee Budget for Fiscal Years ending 2020 and 2021.

5. INFORMATIONAL REPORTS

Recommendation: Receive and file the following oral/written reports/updates.

- A. [SARCCUP DETAILED SCHEDULE](#)15
Presenter: Woodard & Curran
- B. [METROPOLITAN WATER DISTRICT OPERATING AGREEMENT TERM SHEET AND SARCCUP OPERATIONAL SCENARIOS](#)23
Presenter: EMWD

6. COMMITTEE MEMBER REQUESTS FOR FUTURE AGENDA ITEMS

7. ADJOURNMENT

PLEASE NOTE:

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.

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

I, Kelly Berry, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on Thursday, March 28, 2019, a copy of this **amended** agenda has been uploaded to the SAWPA website at www.sawpa.org and posted at SAWPA's office, 11615 Sterling Avenue, Riverside, California.

/s/

Kelly Berry, CMC

2019 Project Agreement 23 Committee Regular Meetings

First Tuesday of Every Other Month (February, April, June, August, October, December)
 (Note: All meetings will be held at 8:30 a.m., unless otherwise noticed, and are held at SAWPA.)

February 2/5/19 Regular Committee Meeting	April 4/2/19 Regular Committee Meeting
June 6/4/19 Regular Committee Meeting	August 8/6/19 Regular Committee Meeting
October 10/1/19 Regular Committee Meeting	December 12/3/19 Regular Committee Meeting*



PROJECT AGREEMENT 23 COMMITTEE
Santa Ana River Conservation and Conjunctive Use Program (SARCCUP)
REGULAR MEETING MINUTES
February 5, 2019

COMMITTEE MEMBERS PRESENT

Kati Parker, Chair, Inland Empire Utilities Agency Board Governing Board
Brenda Dennstedt, Vice Chair, Western Municipal Water District Board Governing Board (8:25 a.m.)
Susan Lien Longville, San Bernardino Valley Municipal Water District Governing Board
Paul D. Jones, Eastern Municipal Water District General Manager
Michael Markus, Orange County Water District General Manager

ALTERNATE COMMITTEE MEMBERS PRESENT [Non-Voting]

None.

COMMITTEE MEMBERS ABSENT

None.

MEMBER AGENCY STAFF PRESENT

Eastern Municipal Water District
Brian Powell

San Bernardino Valley Municipal Water District
Bob Tincher

Inland Empire Utilities Agency
Jason Pivovarovoff
Joshua Aguilar

Western Municipal Water District
Craig Miller
Ryan Shaw

Orange County Water District
None

Santa Ana Watershed Project Authority
Mark Norton
Karen Williams
Larry McKenney
Dean Unger
Ian Achimore
Kelly Berry

OTHERS PRESENT

Woodard & Curran: Brian Dietrick | Scott Goldman

1. CALL TO ORDER

The regular meeting of the PA 23 Committee was called to order at 8:34 a.m. by Acting Chair Parker at the Santa Ana Watershed Project Authority, 11615 Sterling Avenue, Riverside, California.

2. PUBLIC COMMENTS

There were no public comments.

3. ELECTION OF CHAIR AND VICE CHAIR

Committee Member Longville nominated Kati Parker to serve as Chair of the PA 23 Committee, which was seconded by Committee Member Markus.

MOVED, appoint Kati Parker Chair of the PA 23 Committee.

Result:	Adopted (Unanimously)
Motion/Second:	Longville/Markus
Ayes	Dennstedt, Parker, Longville, Jones, Markus
Nays:	None
Abstentions:	None
Absent:	None

Committee Member Jones nominated Brenda Dennstedt to serve as Vice Chair of the PA 23 Committee, which was seconded by Chair Parker.

MOVED, appoint Brenda Dennstedt Vice Parker Chair of the PA 23 Committee.

Result:	Adopted (Unanimously)
Motion/Second:	Jones/Parker
Ayes	Dennstedt, Parker, Longville, Jones, Markus
Nays:	None
Abstentions:	None
Absent:	None

4. APPROVAL OF MEETING MINUTES: December 4, 2018

Chair Parker and Committee Members Longville and Dennstedt stated they were not present at the on December 4, 2018 would accordingly abstain from voting. Chair Parker inquired of legal counsel if committee members not present at the meeting could vote to approve the meeting minutes. Larry McKenney advised that a committee member can vote on the meeting minutes whether or not they were in attendance; a vote approving is simply confirming review of the minutes and affirming that they accurately reflect what occurred at the meeting. Committee Member Jones affirmed the accuracy of the meeting minutes. Vice Chair Dennstedt noted confirmation of accuracy from WMWD staff in the audience who were present December 4, 2018.

MOVED, approve the December 4, 2018 meeting minutes.

Result:	Adopted (Unanimously)
Motion/Second:	Markus/Jones
Ayes	Dennstedt, Parker, Longville, Jones, Markus
Nays:	None
Abstentions:	None
Absent:	None

5. INFORMATIONAL REPORTS

A. SARCCUP OVERVIEW AND CURRENT STATUS UPDATE FOR NEW COMMITTEE MEMBERS

Bob Tincher, SBVMWD, provided a PowerPoint presentation with an overview and current status of SARCCUP. There are three elements of SARCCUP: habitat improvement, water use efficiency, and groundwater banking. Total project cost is \$162,313,632; \$55,000,000 is Proposition 84 grant funding and \$107,313,632 is local matching funds. Local matching funds are proportioned based on the project partner's benefit/use of the facilities. SARCCUP storage volume will be greater than Lake Perris, Big Bear Lake, or Lake Silverwood.

PA 23 Committee governs the conjunctive use and habitat restoration aspects of SARCCUP and the PA 22 Committee governs water use efficiency through the construction phase. Following construction, an operations committee comprised of SAWPA member agency representatives will govern operation of the facilities.

The final SARCCUP project will be brought before the Committee in spring or summer of 2019 – final projects, storage volume and locations, and a breakdown of grant funding and matching funds.

Committee Member Longville requested additional information on the Smartscape program – when the services will be available and how they can be acquired. Ian Achimore noted he would provide a list of participating agencies within SBVMWD. Vice Chair Dennstedt asked what is planted in place of the removed Arundo to deter erosion and was advised native vegetation is abundant in these areas and quickly overgrows the areas.

This item was for informational and discussion purposes; no action was taken on Agenda Item No. 5.A.

B. SARCCUP DETAILED SCHEDULE

Brian Dietrick, Woodard & Curran referenced the SARCCUP detailed schedule contained in the agenda packet (pages 7-14). There was no discussion.

This item was for informational and discussion purposes; no action was taken on Agenda Item No. 5.B.

C. SARCCUP CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) STATUS

Joshua Aguilar, IEUA, provided an oral report on the joint Environmental Impact Report (EIR). The draft EIR was published in November 2018; the public review period closed December 2018. They are on schedule for consideration by IEUA in February and then by OCWD and WMWD in March.

Bob Tincher, SBVMWD, advised their draft EIR will be released in March with the final expected in June.

This item was for informational and discussion purposes; no action was taken on Agenda Item No. 5.C.

D. METROPOLITAN WATER DISTRICT AGREEMENT STATUS

Brian Powell, EMWD, noted they are in the process of developing a term sheet and will be meeting with MWD in the future; the term sheet will be the basis of an agreement when the parties are in concurrence.

This item was for informational and discussion purposes; no action was taken on Agenda Item No. 5.D.

E. SARCCUP PROPOSITION 84 GRANT AGREEMENT AMENDMENT AND SUB-AGREEMENTS

Mark Norton provided an oral report. Amendment No. 1. was prepared and submitted to DWR for consideration; DWR is in the process of signing. Staff is now working on Amendment No. 2.

WMWD adopted their sub-agreement in November 2018 and it incorporates this latest DWR amendment. SBVMWD adopted their sub-agreement in April 2017, and they are currently updating the grant funding portion and removing certain conjunctive use facilities. EMWD adopted in March 2017, and they are currently updating the grant funding portion which is under review by their legal counsel. OCWD and IEUA adoption is scheduled for April 2019, as they await conclusion of the joint CEQA process. Orange County Coastkeeper adopted their sub-agreement in November 2017.

This item was for informational and discussion purposes; no action was taken on Agenda Item No. 5.E.

6. COMMITTEE MEMBER REQUESTS FOR FUTURE AGENDA ITEMS

Committee Member Jones requested for next meeting and as we move forward with the MWD term sheet/agreement that we have an overview of the terms and conditions for the committee members given its importance in the overall SARCCUP process. He stressed the importance of a status update and briefing before the full agreement is brought before the committee for consideration.

7. ADJOURNMENT

There being no further business for review, Chair Parker adjourned the meeting at 9:16 a.m.

Approved at a Regular Meeting of the Project Agreement 23 Committee on Tuesday, April 2, 2019.

Kati Parker, Chair

Attest:

Kelly Berry, CMC
Clerk of the Board

PA 23 COMMITTEE MEMORANDUM NO. 2019.1

DATE: April 2, 2019
TO: SAWPA Project Agreement 23 Committee
SUBJECT: SARCCUP Conjunctive Use Project Changes
PREPARED BY: Ian Achimore, Senior Watershed Manager

RECOMMENDATION

Approve the following:

- 1) Changes in SARCCUP project facilities, associated groundwater basin storage amounts, the total SARCCUP storage amount, and other related changes,
- 2) Execution of a Grant Agreement Amendment No. 2 with DWR as well as Sub-Grantee agreement amendments with the SAWPA member agencies that incorporate these changes.

DISCUSSION

As discussed at the December 2018 PA 23 Committee meeting, through the Decision Support Modeling (DSM) effort the SARCCUP project proponents (i.e. SAWPA member agencies) have found that there are major impediments to acquiring 36,000 acre feet (AF) of Chino Basin storage for use by IEUA. The amount of storage space in the Chino Basin for SARCCUP per the Department of Water Resources Proposition 84 Integrated Regional Water Management (IRWM) Grant Agreement, as amended, is 50,000 AF. The reduction in 36,000 AF would reduce the total SARCCUP dedicate storage from 180,000 AF (which is listed in the Grant Agreement) to 144,000 AF.

Since the December PA 23 Committee meeting, a retail water agency and frequent partner of WMWD that overlies the Chino Basin, Jurupa Community Services District (JCSD), has indicated that it would only commit to a range in benefits of up to 14,000 AF at this point. JCSD would provide that amount of water for SARCCUP in the Chino Basin with the construction of a well and associated treatment facilities. The agency prefers to wait to make a final decision regarding that project once its general manager position has been filled and can fully consult with WMWD about SARCCUP. Currently JCSD has an interim general manager. With that range for the Chino Basin of up to 14,000 AF in the JCSD service area, the total benefit for SARCCUP is also a range: 130,000 AF to 144,000 AF.

Although this range represents a reduction to the conjunctive use portion of SARCCUP, other components of SARCCUP will not be affected. These include improving 640 acres of riparian habitat, creating approximately 3.5 stream miles of aquatic habitat for sensitive species such as the Santa Ana Sucker, and conserving 2,412 AF for implementation of budget-based rates by approximately five retail water agencies. Despite this recent change, SARCCUP still remains one of the largest storage programs in Southern California, as it has more storage than Lake Perris, Big Bear Lake and Lake Silverwood. The price per acre-foot for delivering SARCCUP water, which averages \$1,120 per AF when delivered to Metropolitan Water District member agencies, is still competitive with other regional storage programs largely because it takes advantage of local existing infrastructure and available storage in the Santa Ana River Watershed.

This change in the conjunctive use benefit to a range of 130,000 AF to 144,000 AF is the result of five months of preparation by the SAWPA agencies evaluating eight different options that ensure that the Chino Basin still has dedicated storage for SARCCUP and mitigates the program reduction of 36,000 AF. The goal of the evaluation was to ensure that all options were explored so that SARCCUP continues to maximize surplus water deliveries made available from SBVMWD, while also striving to remain as close to the original 180,000 AF as possible. JCSD's well and treatment are one of those option (No. 2 in Table 1 below), as is the addition of four wells that OCWD can construct through partnerships with several of its producing agencies (No. 4).

Table 1
SARCCUP Options Analyzed (Asterix Indicates Recommended for Amendment)

Option	Basin	Storage Amount (AF)	Facilities Needed
1 – MV/CV/JCSD (in-lieu or desalter) (IEUA)	Chino Basin	14,000	MV/CV/JCSD – wellhead treatment
2 – WMWD* (JCSD wells)	Chino Basin	0 - 14,000	Well w/Treatment
3 – WMWD (JCSD wells)	Chino Basin	7,000	JCSD – wellhead treatment
4 – OCWD Wells*	Orange County	36,000	Four Wells
5 – Increase Riverside (WMWD)	Riverside	7,000 – 22,000	Imported water pipeline turnout (WR23) & wells
6 – CVWD/JCSD (WMWD)	Chino (to WMWD)	(not additional, same as prior)	Etiwanda Pipeline
7 – Central Valley (IRWD)	Central Valley	TBD	None needed (requires purchase agreements)
8 – Lakeview Sub-basin (EMWD)	Lakeview	TBD	TBD

Due to the construction timelines and associated costs of the other options, only options 2 and 4 were feasible with the existing schedule and grant funding available from the Proposition 84 IRWM grant. The full list of major changes that are proposed to the Committee, including Options 2 and 4 from Table 1, are included below in Table 2.

Table 2
 Major Proposed Changes for Grant Agreement Amendment No. 2

Item	Basin	Associated Grant Funding
Update Individual Groundwater Basin Storage Amounts	-Chino: Change from 50,000 AF to the range of 0 AF to 14,000 AF, -Elsinore: Change from 4,500 AF to 0 AF, -Bedford-Coldwater: Change from 0 AF to 4,500 AF.	Not Applicable
Update Total Groundwater Basin Storage Amounts	Change from 180,000 AF to the range of 130,000 AF to 144,000	Not Applicable
Remove Chino Basin Associated Facilities	Chino Basin	Approximately \$8M
Add Construction of Orange County Wells	Orange County	Approximately \$8M
Change Post Performance Reporting Period from 10 to 3 years	Not Applicable	Not Applicable

With these changes, the Grant Agreement’s budget will reflect a change in the total costs of the SARCCUP from \$162M to approximately \$151M due to the removal of IEUA facilities and addition of OCWD wells. The SARCCUP proponents are not requesting to change the amount of grant funding of \$55M. The JCSD facilities are not included in Table 2 as they are already included in the Grant Agreement as SARCCUP’s scope of work includes enough flexibility to incorporate facilities, such as wells and associated treatment, in the Chino Basin. If JCSD decides not to commit after the requested amendment is approved, a minor follow on amendment can remove that section in the Grant Agreement’s scope of work.

BACKGROUND

SARCCUP was successful in receiving a \$55M Proposition 84 IRWM grant through the One Water One Watershed (OWOW) Call for Projects in 2015. The Department of Water Resources executed a grant agreement with SAWPA, who manages the OWOW process, in November 2016. SAWPA is able to reimburse the SAWPA member agencies with DWR grant funding through the execution of sub-grantee agreements with each of the agencies.

SARCCUP includes three components: 1) habitat and ecosystem restoration, 2) water use efficiency, and 3) conjunctive use (water banking). The primary goal of the conjunctive use component is to store available imported water in a multi-basin groundwater bank during wet periods and use the stored water supply during times of reduced imported water supplies.

If the recommended changes are approved, they would be incorporated into the second amendment to SARCCUP. The PA 23 Committee approved a first amendment to SARCCUP on December 5, 2017 which removed several conjunctive use facilities in the SBVMWD and WMWD service areas and replaced them with facilities in the WMWD and IEUA service areas. These changes were made due to the results of the DSM that demonstrated that the same 180,000 AF benefit from the SARCCUP conjunctive use component can still be realized and optimized by replacing certain components of the SARCCUP project with others. That change did not result in a decrease to SARCCUP’s 180,000 AF benefit.

PA23#2019.1

April 2, 2019

Page 4

CRITICAL SUCCESS FACTORS

Administration of the OWOW process and plan in a highly efficient and cost-effective manner.

RESOURCE IMPACTS

None.

PA 23 COMMITTEE MEMORANDUM NO. 2019.2

DATE: April 2, 2019

TO: SAWPA Project Agreement 23 Committee

SUBJECT: Project Agreement 23 Committee Budget for Fiscal Years Ending 2020 and 2021

PREPARED BY: Ian Achimore, Senior Watershed Manager

RECOMMENDATION

It is recommended that the Project Agreement 23 (PA 23) Committee adopt the PA 23 Committee Budget for Fiscal Years Ending (FYsE) 2020 and 2021.

DISCUSSION

The SAWPA member agencies, the Santa Ana Conservation and Conjunctive Use Program (SARCCUP) project proponents, have executed PA 23 and several Memorandums of Understanding related to financing the overall SARCCUP Project. SARCCUP includes several components including Arundo donax removal, Santa Ana sucker fish habitat creation, conjunctive use implementation, and water use efficiency. In order for the PA 23 Committee to take action on expenditures related to SARCCUP, the Committee must adopt a budget, included as Table 1 and 2 below, and the project budget must be approved by the boards of the five PA 23 member agencies. For ease of adoption by the SAWPA member agencies' elected boards this PA 23 Committee budget is included in the SAWPA two year budget which is also proposed for adoption by the SAWPA Commission on April 2, 2019.

The FYsE 2020 and 2021 PA 23 Committee budget is based on the funding available from the amended Proposition 84 Integrated Regional Water Management (IRWM) grant agreement with the California Department of Water Resources (DWR) prepared by SAWPA and the SAWPA member agencies. Like the grant agreement, this PA 23 budget reflects revenue contributions from the Prop 84 IRWM grant as well as local match from SARCCUP project proponents.

In order to reflect the SAWPA budget process as required per Section 10 of PA 23, SARCCUP tasks were separated by fiscal year over the SARCCUP Project's five year timeline. The total budget is \$151,571,657 which includes \$55,000,000 in grant funding and \$96,571,657 in local match. To create the two year SAWPA budget, the SARCCUP outlays were projected for the next two years. Since the PA 23 Committee budget employs the normal SAWPA budget structure, it does not include pass through funding to the SARCCUP project proponents, or funding that is not managed by SAWPA for its own program expenses. Thus, not shown is the grant funding that is passed through to the SAWPA member agencies for expenses related to the SARCCUP conjunctive use and habitat components. The budget line items that are considered part of this PA 23 budget include the following components of SARCCUP:

1. SAWPA Labor (Salaries, Benefits and Indirect Costs): which includes administration of the PA 22 and PA 23 Committees, implementation of the water use efficiency portion of SARCCUP and project management of the overall SARCCUP project.
2. Consulting: Project Management by Woodard and Curran (formerly RMC: Water)
3. Water Use Efficiency Program Expenses: Funding for retail water agencies who have partnered with SAWPA on conservation-based rate implementation and Orange County Coastkeeper who is implementing the Smartscape Program.

Revenue for these line items is provided by the Prop 84 IRWM grant as well as local share from the SARCCUP project proponents. The split between the grant and local match in the PA 23 Budget was determined by projecting the amount of funding that the Prop 84 grant would provide over each fiscal year.

Table 1 and 2 summarize the detailed PA 23 budget that is attached to this memorandum.

Table 1. PA 23 Budget – Revenues

Budget Line Item	FYE 2020	FYE 2021
SARCCUP Prop 84 Grant	\$455,144	\$515,850
SARCCUP Local Match (SAWPA member agency contributions)	\$503,990	\$463,292
Total	\$959,134	\$979,142

Table 2. PA 23 Budget – Expenses

Budget Line Item	FYE 2020	FYE 2021
SAWPA Labor	\$294,251	\$355,868
Consulting (Woodard and Curran)	\$257,114	\$215,505
Program Expenses (For SARCCUP Water Use Efficiency)	\$407,769	\$407,769
Conservation-Based Water Rates	\$332,093	\$332,093
Smartscape Program	\$75,677	\$75,677
Total	\$959,134	\$979,142

As further background, provided below is the estimated amount of SARCCUP pass through funding that is not included as part of the PA 23 budget. These amounts are provided to the SARCCUP project proponents for the conjunctive use and habitat components of SARCCUP. Like the budget line items in the PA 23 budget, they are based on the projected amount of spending for the two-year period. Due to the complexity of the SARCCUP, the same amount of funding was projected for each of the two years for pass through.

Table 3. SARCCUP Pass Through Grant Funding

Project Proponent	FYE 2020	FYE 2021
Eastern Municipal WD	\$2,386,581	\$2,386,581
Inland Empire Utilities Agency	\$2,815,928	\$2,815,928
Orange County WD	\$368,014	\$368,014
San Bernardino Valley MWD	\$1,003,520	\$1,003,520
Western Municipal WD	\$6,082,338	\$6,082,338
Total	\$12,656,381	\$12,656,381

BACKGROUND

SARCCUP was successful in receiving a \$55M Proposition 84 IRWM grant through the One Water One Watershed (OWOW) Call for Projects in 2015. The Department of Water Resources executed a grant agreement with SAWPA, who manages the OWOW process, in November 2016. SAWPA is able to reimburse the SAWPA member agencies with DWR grant funding through the execution of sub-grantee agreements with each of the agencies. SARCCUP includes three components: 1) habitat and ecosystem restoration, 2) water use efficiency, and 3) conjunctive use (water banking).

CRITICAL SUCCESS FACTORS

Administration of the OWOW process and plan in a highly efficient and cost-effective manner.

RESOURCE IMPACTS

None.

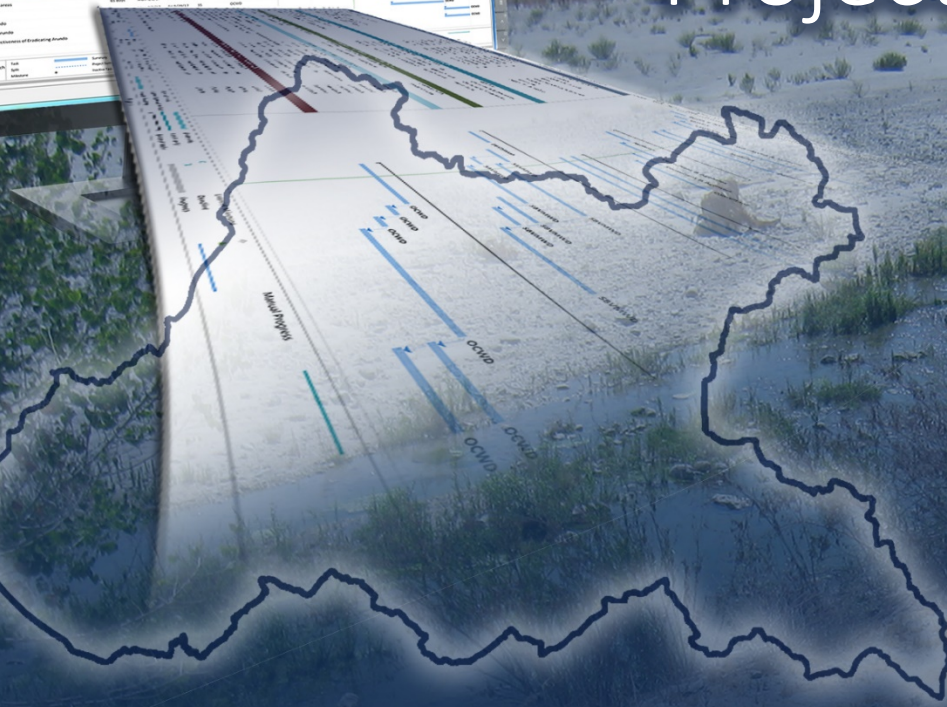
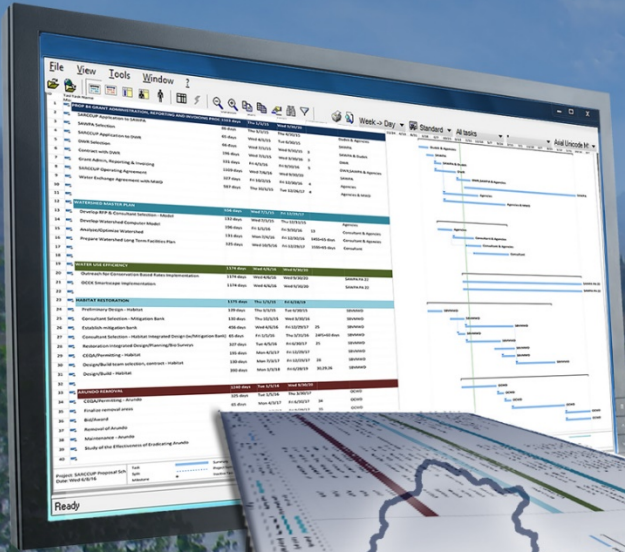
Attachment:

1. Detailed PA 23 Budget

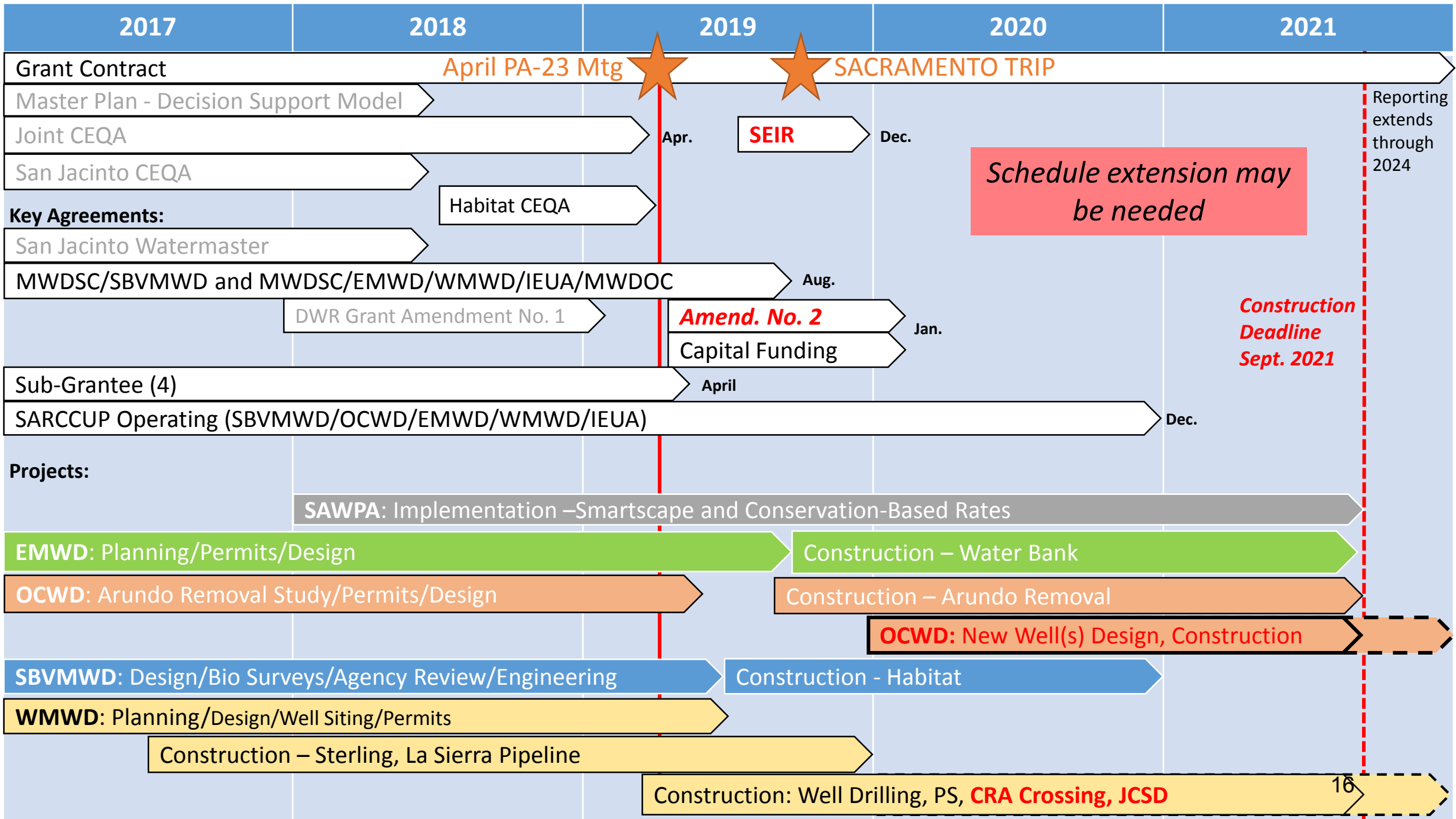
Proposition 84 - Final Round SARCCUP

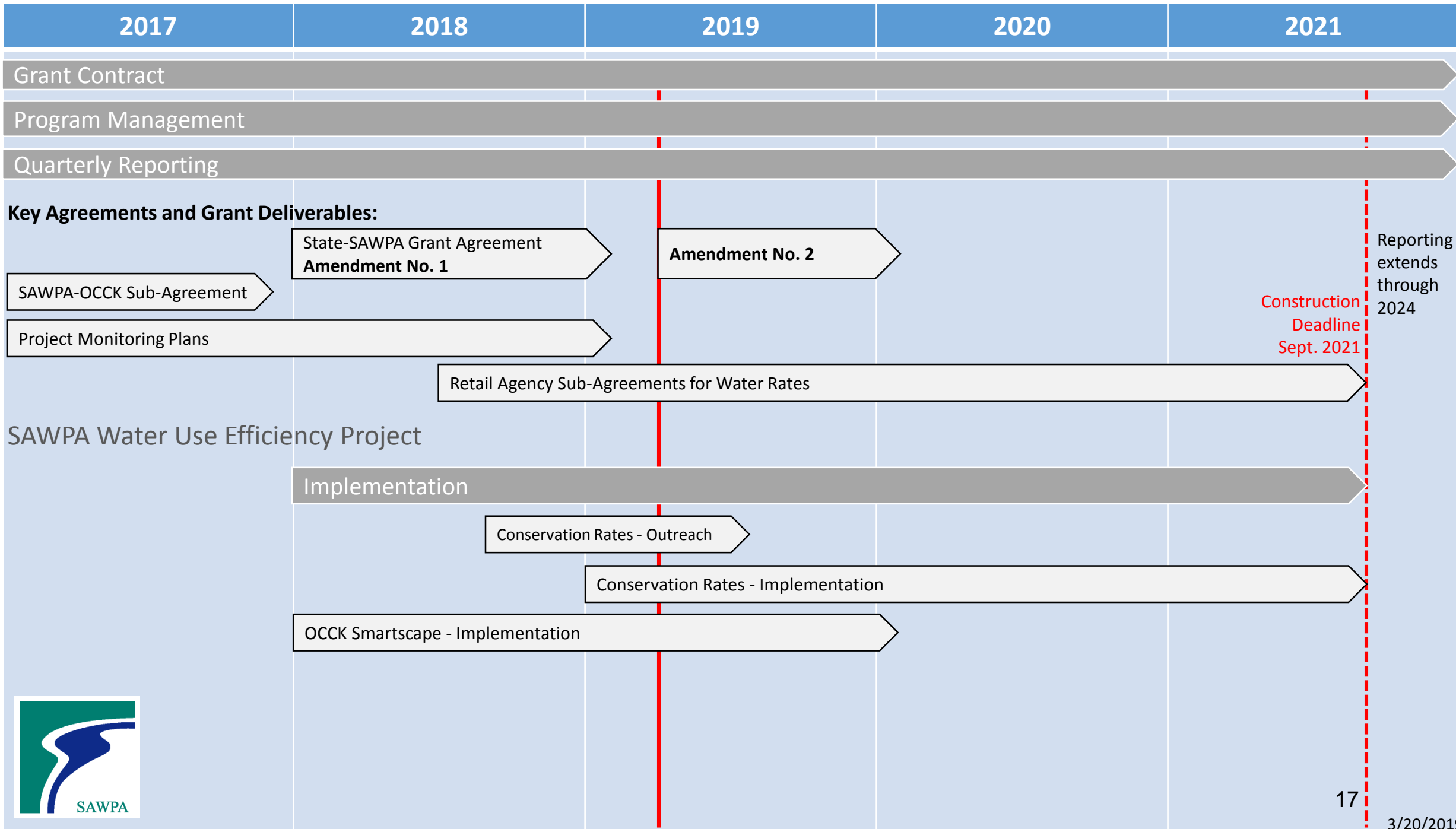
G/L Acct.	Description	FYE 6/30/2017	FYE 6/30/2018	YTD 12/31/2018	FYE 2019 Budget	Projected 6/30/2019	FYE 2020 Budget	FYE 2021 Budget
Revenues								
40102	State Grant Proceeds - Prop 84	359,186	91,061	52,712	370,123	193,142	455,144	515,850
48002	Participant Fees	155,215	453,610	437,720	437,722	437,720	503,990	463,292
	Total Revenues	514,401	544,671	490,432	807,844	630,862	959,134	979,142
Expenses								
51000	Salaries - Regular	24,793	22,683	11,609	81,213	53,225	99,378	120,188
52000	Benefits	10,760	9,912	5,073	35,486	23,259	45,329	54,443
53000	Indirect Costs	39,148	32,006	16,380	114,557	75,100	149,544	181,237
60121	Consulting	297,372	203,796	87,518	240,927	164,593	257,114	215,505
60500	Program Expenses	-	-	44,025	335,661	75,677	407,769	407,769
	Total Expenditures	372,073	268,397	164,605	807,844	391,855	959,134	979,142
	Excess Rev over (under) Exp	142,327	276,274	325,827	-	239,007	0	(0)
	Contribution to G&A						4.55%	5.10%

Santa Ana River Conservation and Conjunctive Use Program – Project Schedule Updates



Presenter:
Brian Dietrick, Woodard & Curran





2017	2018	2019	2020	2021
------	------	------	------	------

Grant Contract

IEUA Conjunctive Use Project

Joint CEQA

Construction
Deadline
Sept. 2021

Reporting
extends
through
2024



Grant Contract

EMWD Conjunctive Use Project

Sub-Agreement

EMWD San Jacinto WM Agreement

Right-of-Way Acquisition

San Jacinto CEQA

Permitting

Design

Mt. Ave - Prelim.

Mt. Ave - Final

Drilling - Prelim.

Equipping - Prelim.

Equipping - Final

Construction

Well Drilling

Mountain Avenue West

Well Equipping

Construction Deadline
Sept. 2021

Reporting extends through 2024



Grant Contract

OCWD Arundo Removal Project

SAWPA-OCWD Sub-Agreement

Joint CEQA

Arundo Removal Study

Permitting

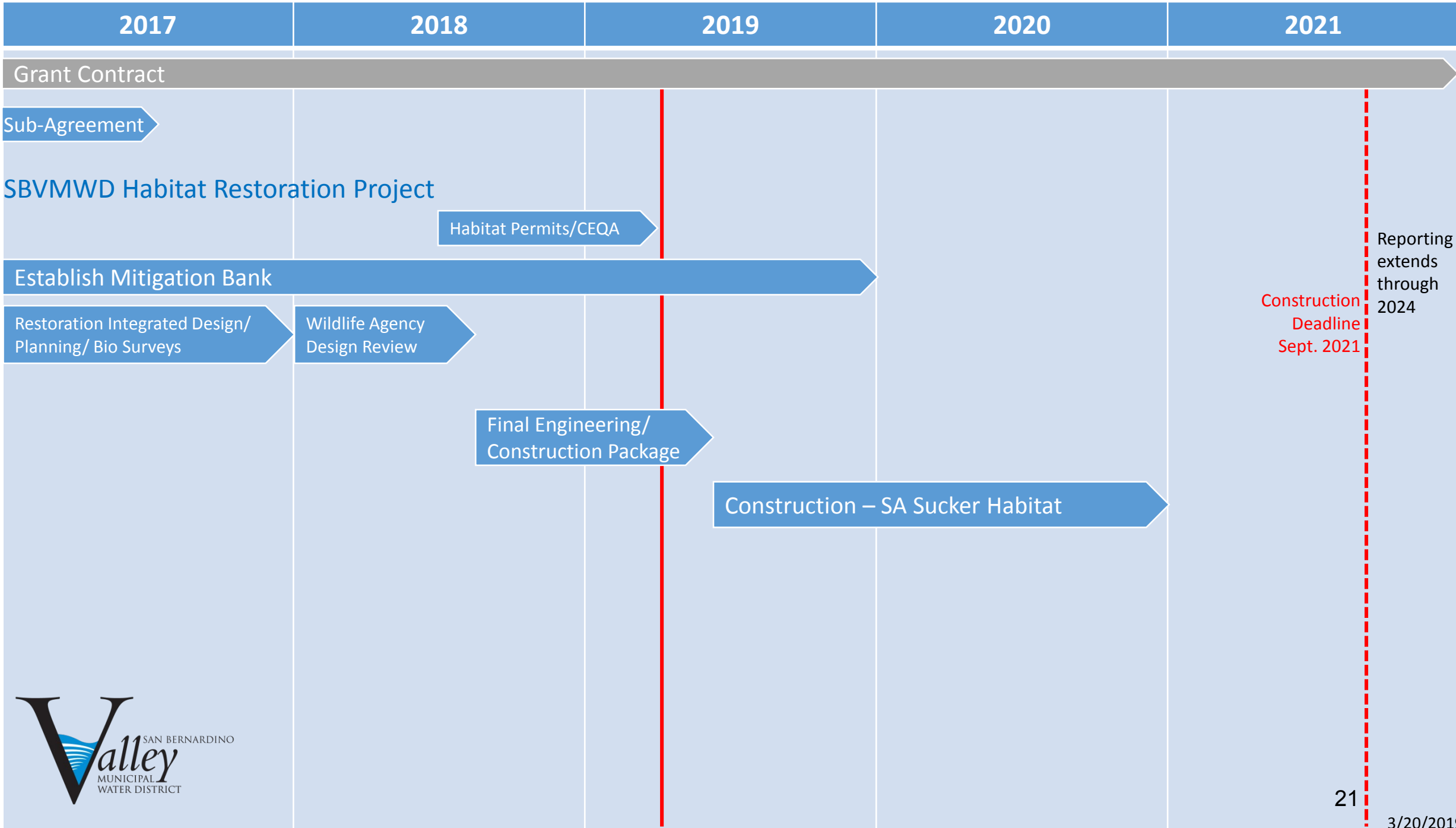
Design

Construction

Construction
Deadline
Sept. 2021

Reporting
extends
through
2024





Grant Contract

WMWD Conjunctive Use Project

WMWD-EVMWD Agreement

SAWPA-WMWD Sub-Agreement

Capital Funding

Land Purchase

Joint CEQA

Permitting

Design

Drilling – Prelim.

Drilling - Final

Equipping – Prelim.

Equipping - Final

Elsinore Basin - Wells

La Sierra Pipeline/Sterling Pump Station

Riverside Basin – Wells/Cannon Campbell Pump Station/Colorado River Aqueduct (PS/CRA) Crossing

Sterling Pump Station

Construction

Well Drilling

Well Equipping

Non-SARCCUP CEQA

Elsinore Basin - Wells

La Sierra Pipeline/Sterling PS

Riverside Basin – Wells/Cannon Campbell PS/ CRA Crossing

Construction Deadline
Sept. 2021

Reporting extends through 2024






Santa Ana River Conservation and Conjunctive Use Program (SARCCUP)

SARCCUP PA-23 Meeting
April 2, 2019

1

Agenda

- **SARCCUP Background**
- **Purpose of Agreement and Major Terms and Conditions with MWD**
- **SARCCUP Operational Scenarios and Examples**
 - A: Direct Delivery
 - B: Delivery via In-Lieu Exchange
 - C: Storage in SARCCUP Valley Bank (SBBA)
- **SARCCUP Operating & Finance Committee**
- **Next Steps**
- **Questions**



Santa Ana River Conservation & Conjunctive Use Program

2 | emwd.org

2

SARCCUP Background

Background and Status:

- Watershed-scale program that will bank imported water to enhance water supply reliability and increase available dry-year supplies in the Santa Ana River Watershed
- \$100 million program developed by the five regional water agencies in a collaborative effort to target Proposition 84 funding
- Successfully received over \$55 million in grant funding in the last round of Proposition 84 funding



3

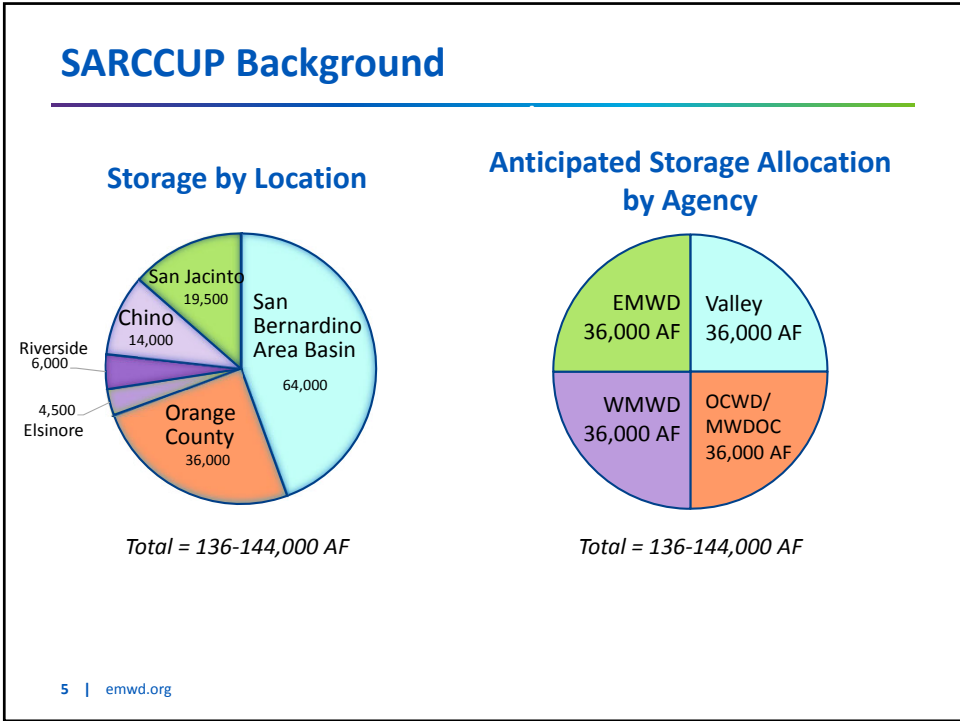
SARCCUP Background

SARCCUP elements:

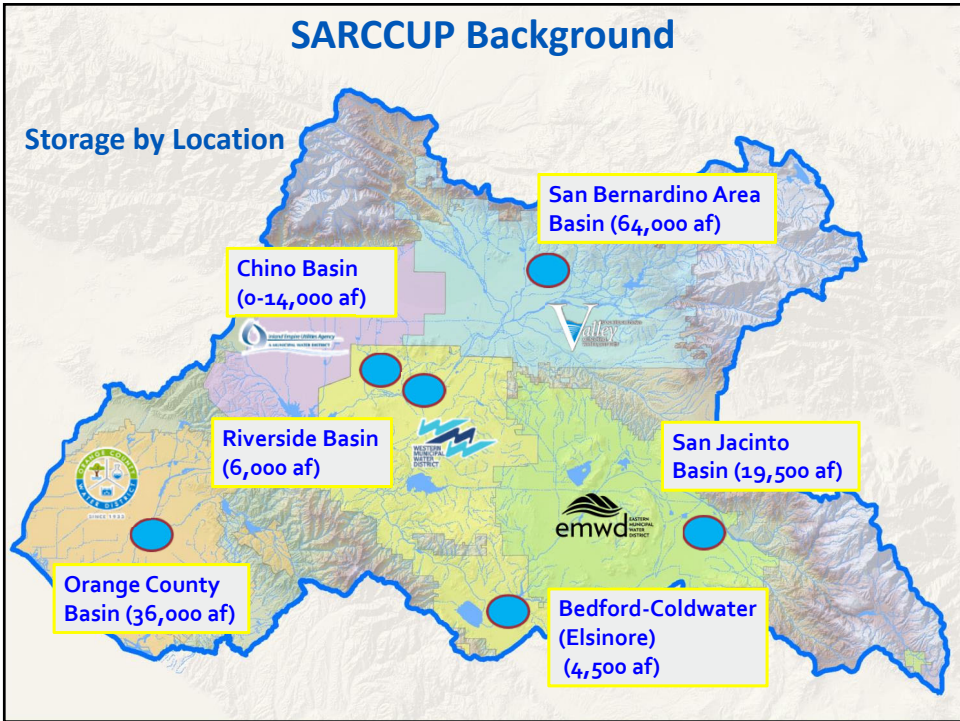
- **Water Use Efficiency:** Assistance for agencies to develop conservation-based rates
- **Habitat Creation:** Establish habitat for Santa Ana Sucker fish and water-consuming non-native *arundo donax* removal along the Santa Ana River
- **Watershed-Scale Cooperative Water Banking Program:** Water banking facilities in four locations with coordinated operations to store water in wet years and provides a new extraordinary supply during droughts and emergencies resulting in additional regional Dry-Year Yield (DYY)



4



5




6

Purpose of Agreement
SARCCUP Operational Principles
Major Terms and Conditions with MWD

7

Purpose of Agreement

- Establish Terms and Conditions for the purchase, delivery and use of surplus Valley State Water Project (SWP) water.
- Describe relationship with SARCCUP-MWD member agencies, MWD and Valley.
- Set cost for surplus Valley water and financial arrangements.
- Determine processes for water deliveries and exchanges for the “Put” and “Take” scenarios.
- Consistent with MWD’s policy regarding Extraordinary Supply designation.



8 | emwd.org

8

SARCCUP Operational Principles

- In all cases, MWD pays for surplus Valley SWP water and SARCCUP-MWD member agencies pay MWD full-service Tier 1 rate at time of delivery.
- All deliveries are through MWD facilities or MWD “virtual meter”.
- No banked groundwater introduced into MWD system - in-lieu deliveries.
- Three delivery options:
 - A. Direct delivery from MWD facilities to the SARCCUP storage facilities
 - B. Delivery to the SARCCUP storage facilities in-lieu via MWD facilities
 - C. Delivery to Valley’s recharge facilities (MWD “virtual meter”) for storage in SBBA bank

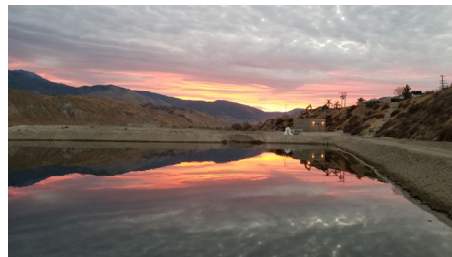


9 | emwd.org

9

...continued

- Two recovery options:
 1. Direct Delivery between SARCCUP-MWD member agencies using local conveyance facilities
 2. In-Lieu exchanges between SARCCUP-MWD member agencies through redirected MWD deliveries
- SARCCUP operations as described are all within MWD’s Administrative Code and MWD’s Water Supply Allocation Plan.



10 | emwd.org

10

Major Terms and Conditions

- MWD to purchase surplus water from Valley
- MWD makes available an amount equivalent to 50% of the amount purchased to SARCCUP-MWD member agencies at the full-service Tier 1 rate
- MWD/Valley: have a separate agreement for purchase of water



11 | emwd.org

11

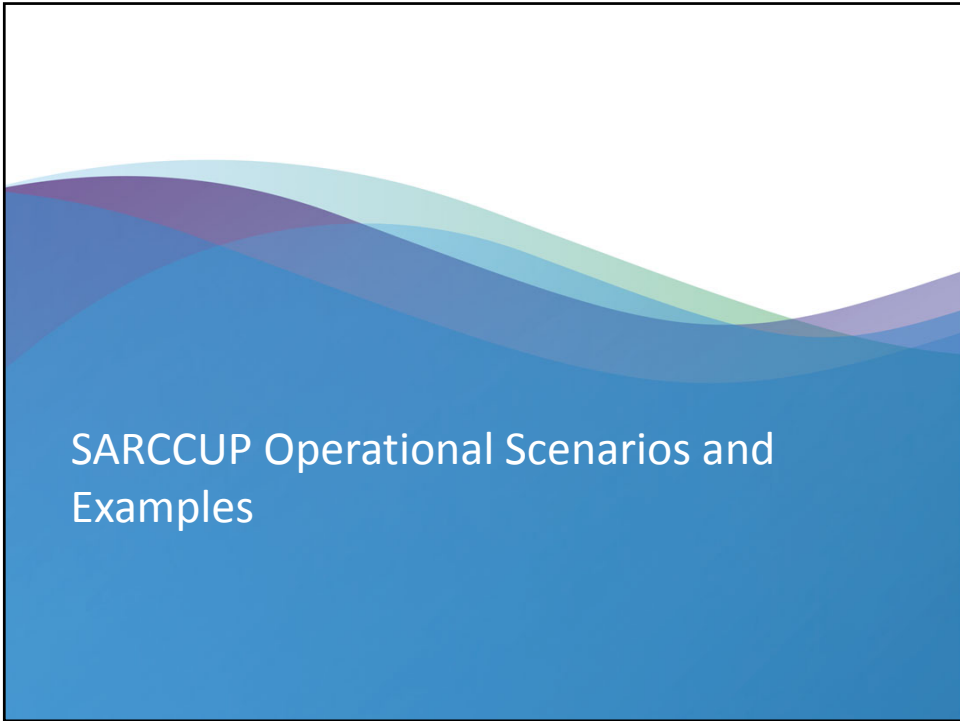
...continued

- Agencies may purchase more than 50% equivalent if MWD does not take all water offered by Valley
- All water can be designated as Extraordinary Supply
- Wheeling of water through bank facilities is permitted



12 | emwd.org

12



13

Examples with Delivery and Recovery Scenarios

Examples	Delivery (Put) Scenarios*	Recovery (Take) Scenarios*
I	A – Direct Delivery	Pump & Use Locally
II	B – Indirect Delivery	1 – Direct Delivery
III	B – Indirect Delivery	2 – In-Lieu Delivery
IV	C – Delivery to Valley	1 – Direct Delivery
V**	C – Delivery to Valley	1 – Direct Delivery

* Based on Operational Term Sheet for MWD and SARCCUP-MWD Member Agencies Agreement
 ** MWD Declines to Participate

14 | emwd.org

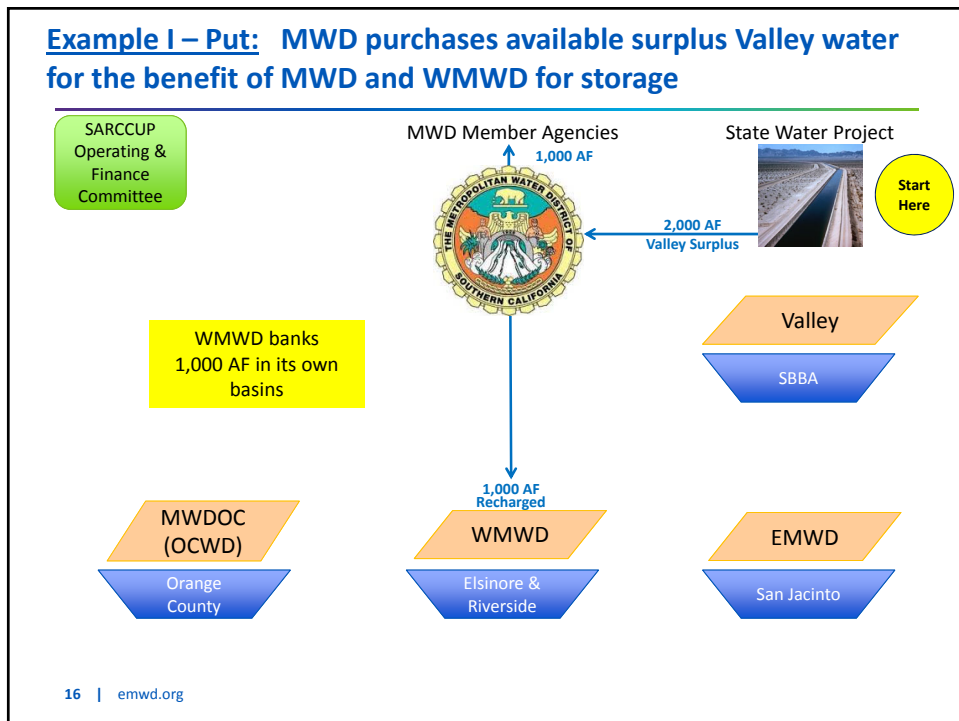
14

Example I

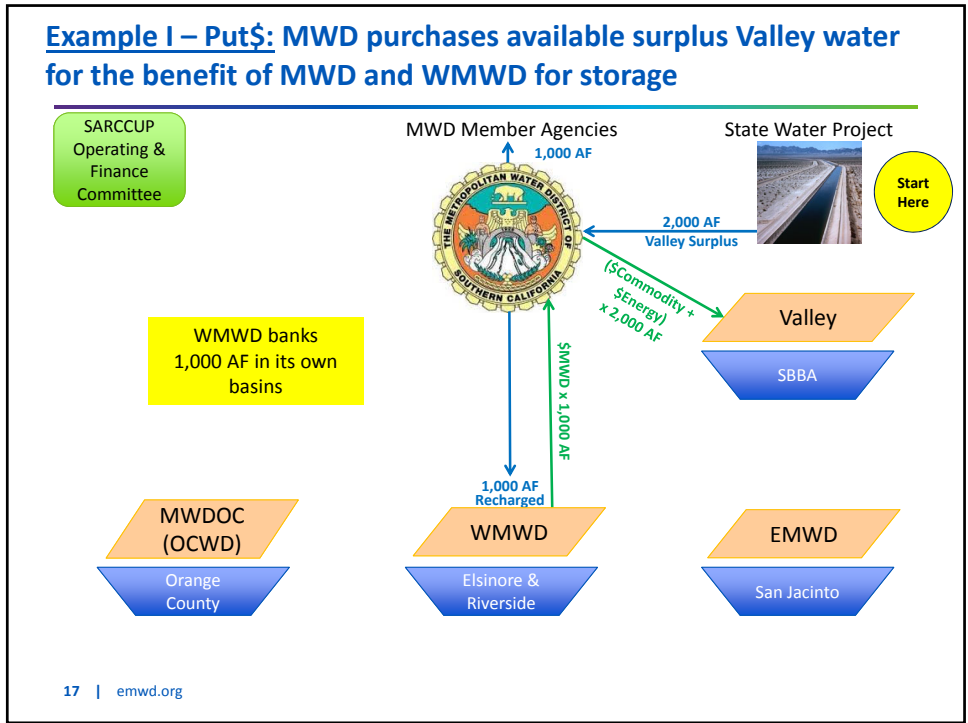
Put: Scenario A (Direct Delivery)

Take: Pump & Use Locally

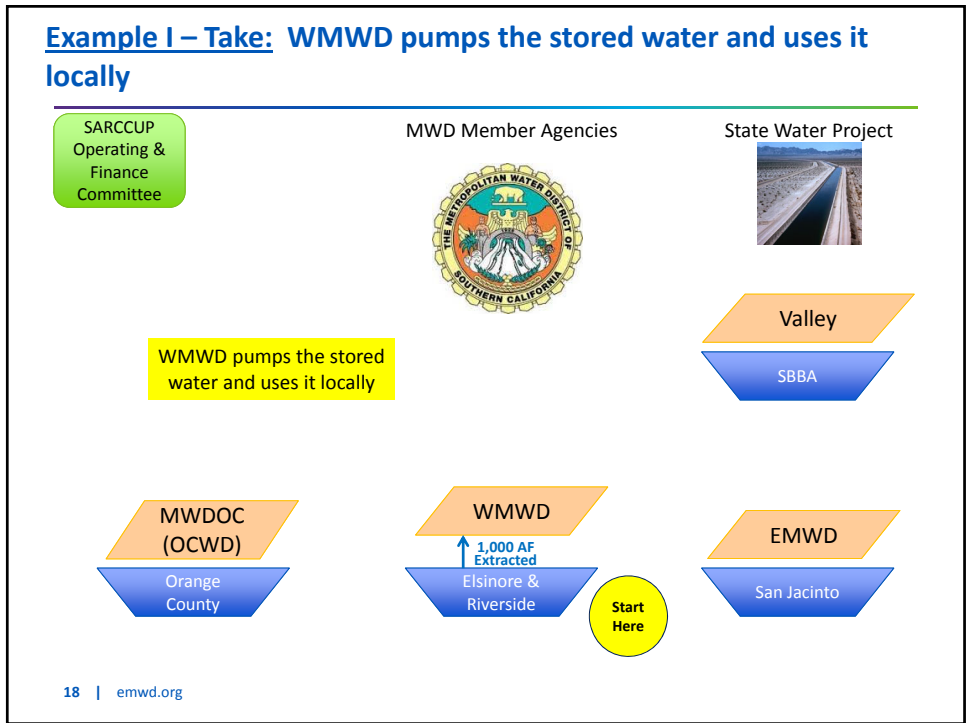
15



16



17



18

Purchases and Proceeds

EXAMPLE I: WMWD purchases water and pumps and uses it locally

Description	PUT - Direct Delivery			TAKE - Pump & Use Locally
	MWD	Valley	Western	Western
Commodity and Energy Rates	-\$	\$		
MWD Full-Service Tier 1 Rate	\$		-\$	
Recharge Rate				
Extraction Rate				

LEGEND
 -\$ Money Paid
 \$ Money Received

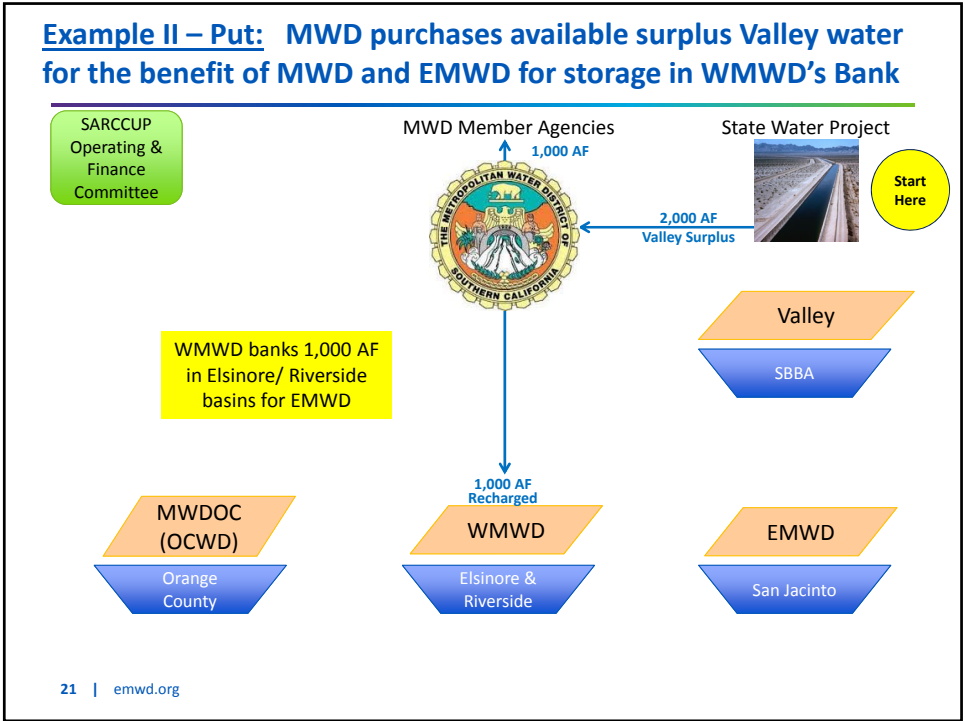
19

Example II

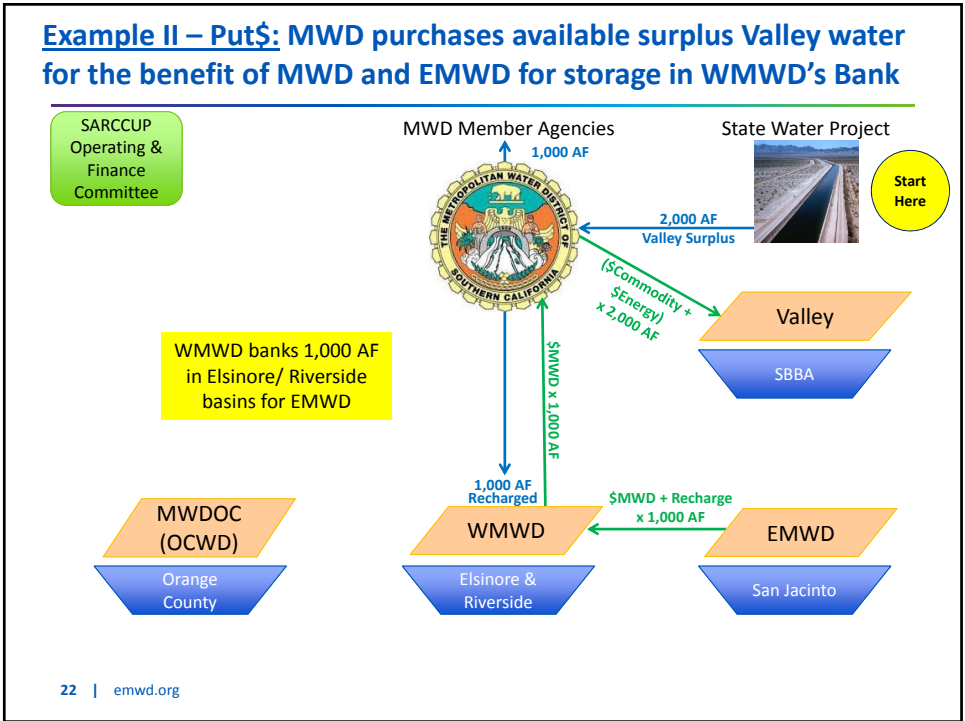
Put: Scenario B (Indirect Delivery)
Take: Scenario 1 (Direct Delivery)



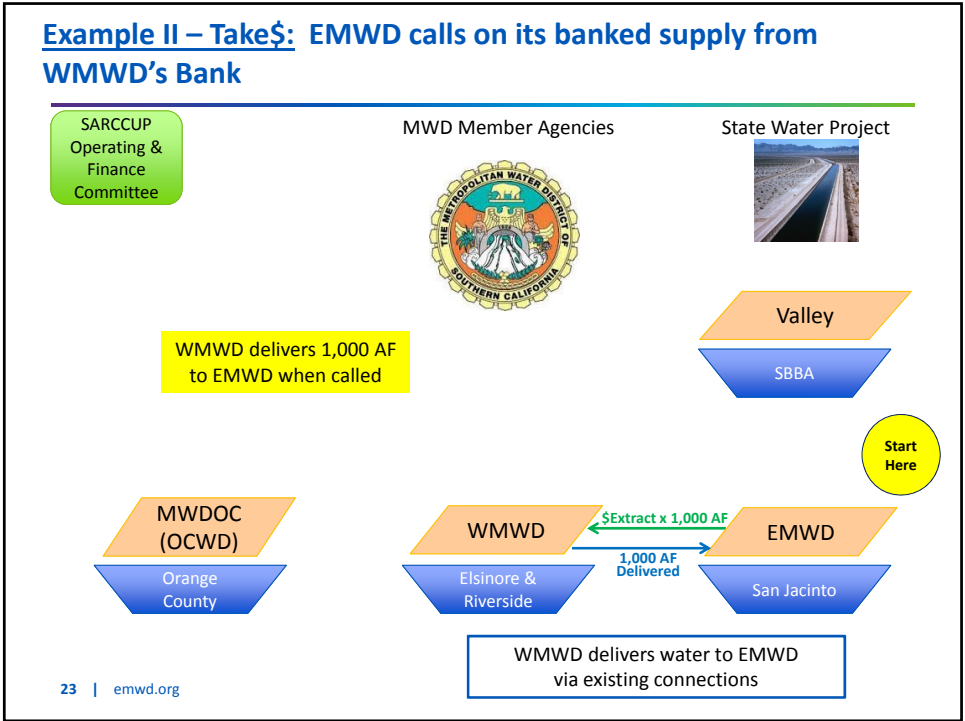
20



21



22



23

Purchases and Proceeds

EXAMPLE II: WMWD stores water for EMWD

Description	PUT - Indirect Delivery				TAKE - Direct Delivery	
	MWD	Valley	Western	Eastern	Western	Eastern
Commodity and Energy Rates	-\$	\$				
MWD Full-Service Tier 1 Rate	\$			-\$		
Recharge Rate			\$	-\$		
Extraction Rate					\$	-\$

LEGEND
 -\$ Money Paid
 \$ Money Received

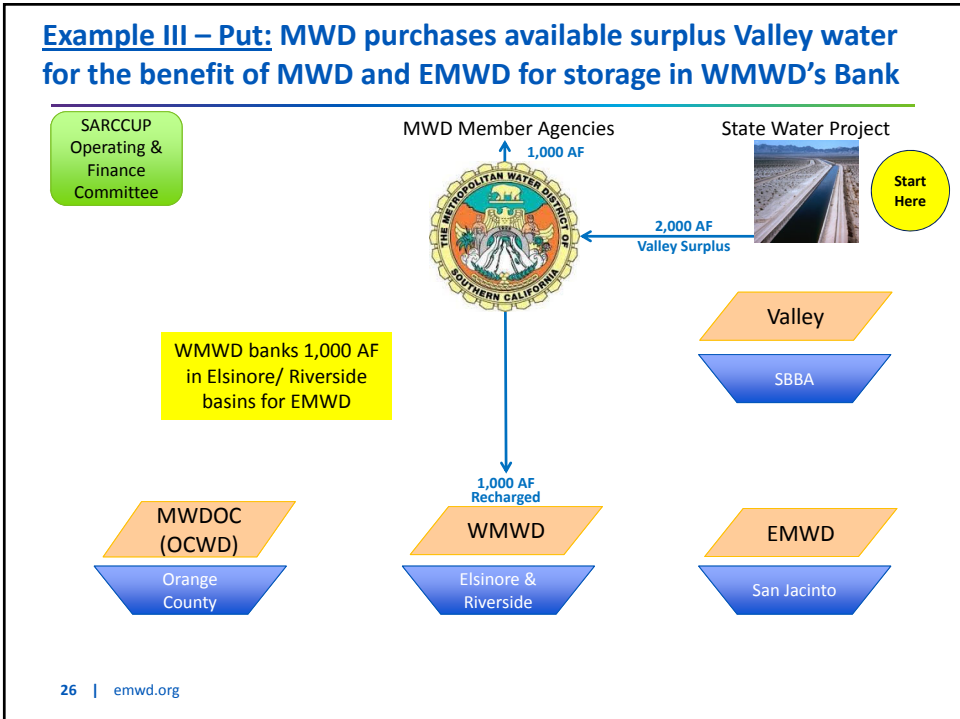
24 | emwd.org

24

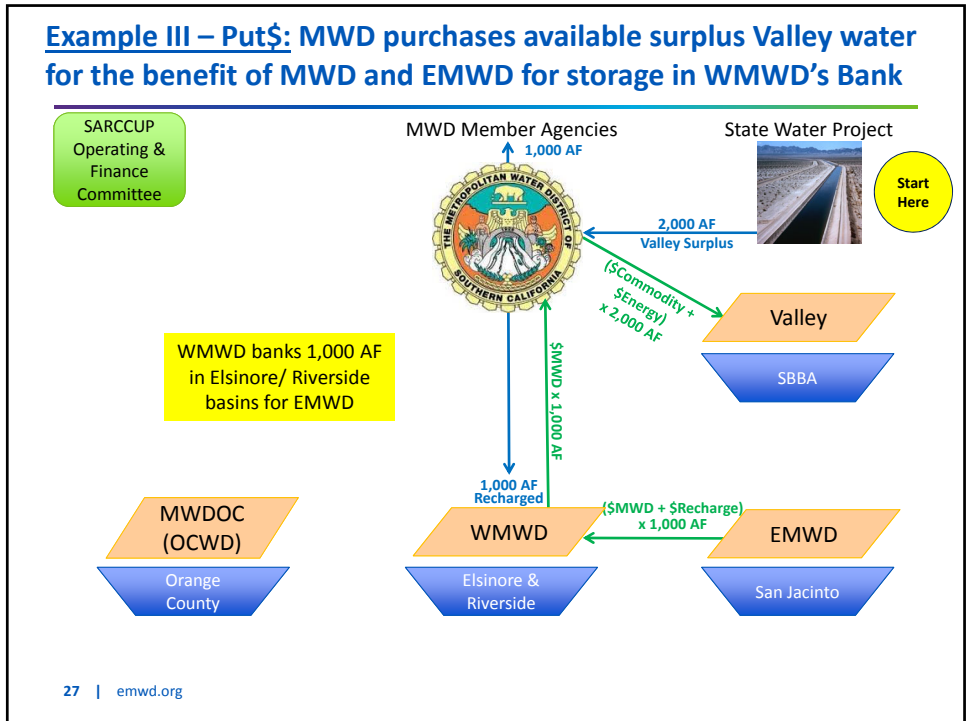
Example III

Put: Scenario B (Indirect Delivery)
Take: Scenario 2 (In-Lieu Delivery)

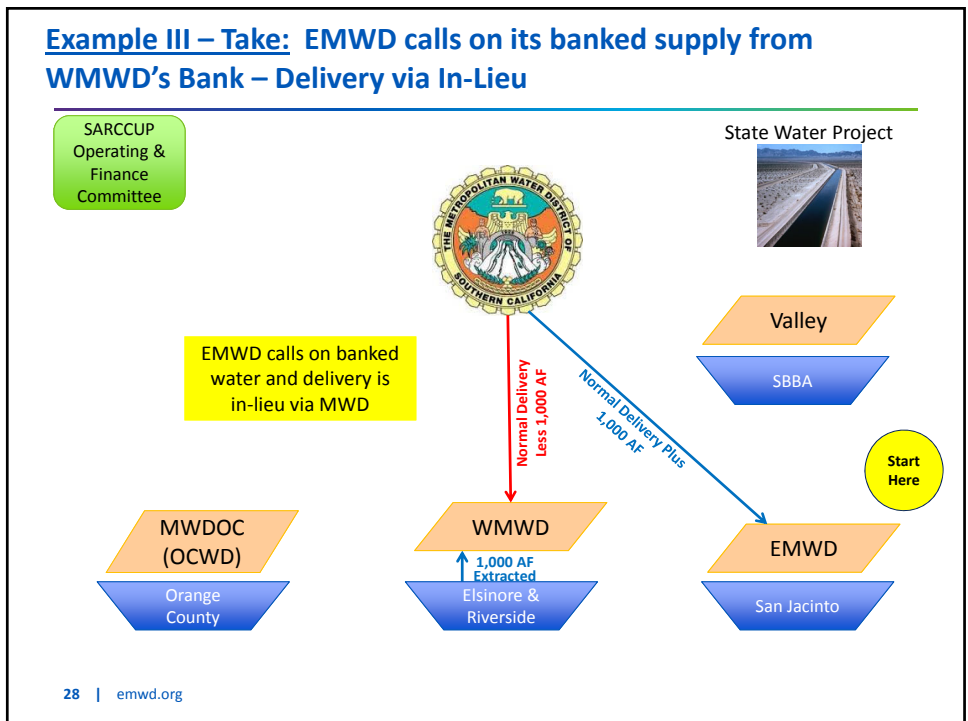
25



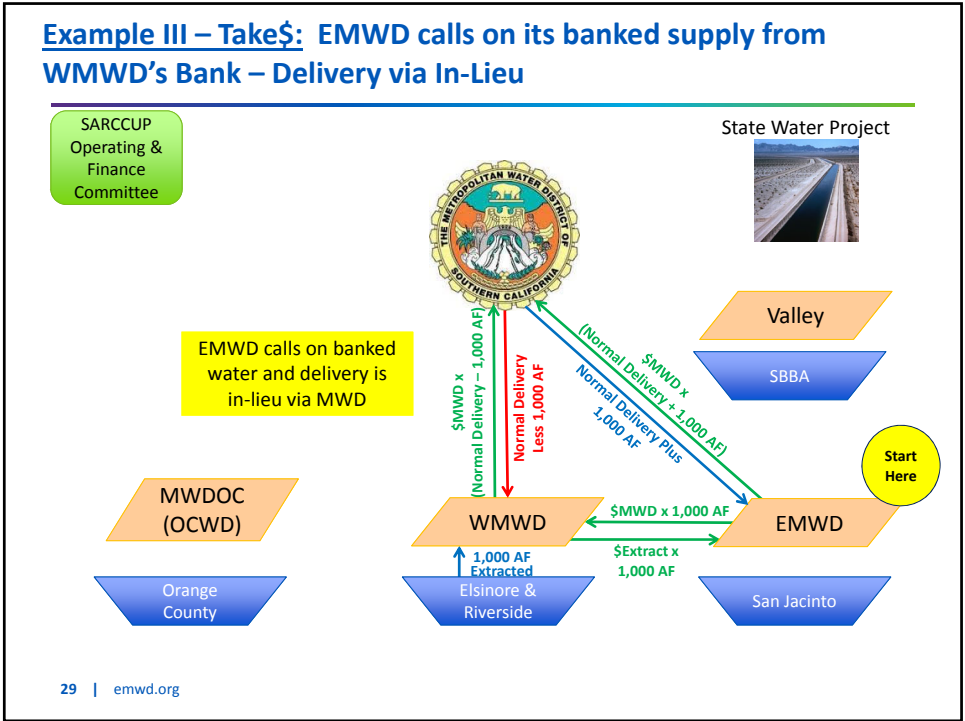
26



27



28



29

Purchases and Proceeds

EXAMPLE III: EMWD stores water in WMWD bank and buys MWD water in-lieu of pumping

Description	PUT - Indirect Delivery				TAKE - In-Lieu Delivery	
	MWD	Valley	Western	Eastern	Western	Eastern
Commodity and Energy Rates	-\$	\$				
MWD Full-Service Tier 1 Rate	\$		←	-\$	-\$	→
Recharge Rate			\$	-\$		
Extraction Rate					\$	-\$

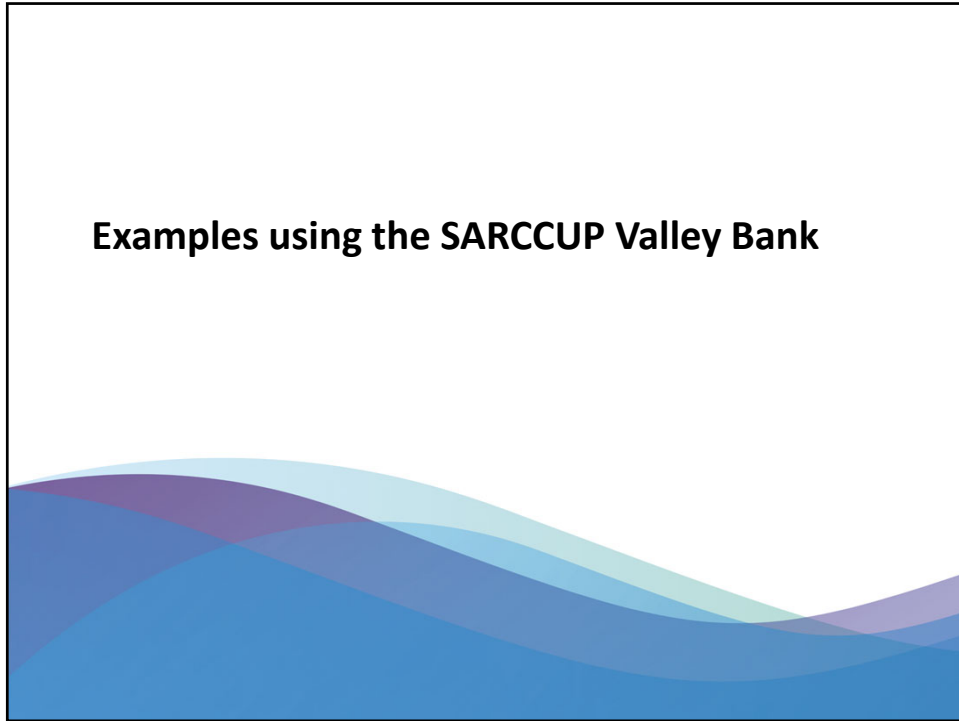
LEGEND

- \$ Money Paid
- \$ Money Received
- Pass-through funds to MWD

30 | emwd.org

30

Examples using the SARCCUP Valley Bank



31

SARCCUP Valley Bank

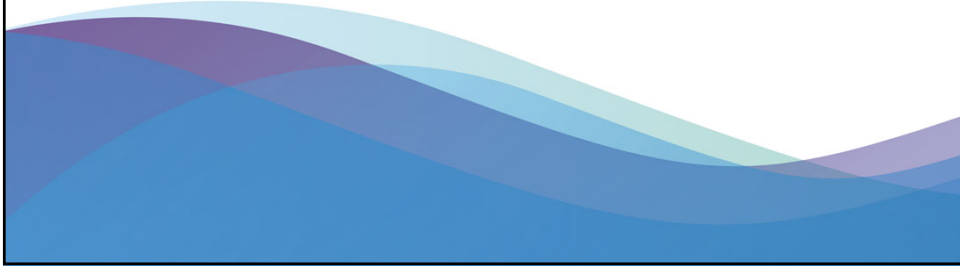
Goals and Objectives

- The Valley Bank (SBBA) is critical to SARCCUP program success and DWR Prop 84 funding requirements – while location happens to be outside of MWD service area, SARCCUP-MWD member agencies are paying MWD the current full-service Tier 1 rate for surplus Valley water that MWD purchases.
- SARCCUP-MWD member agencies pay the MWD full-service Tier 1 rate at time of “Put”, in line with deliveries to SARCCUP storage facilities within MWD service area.

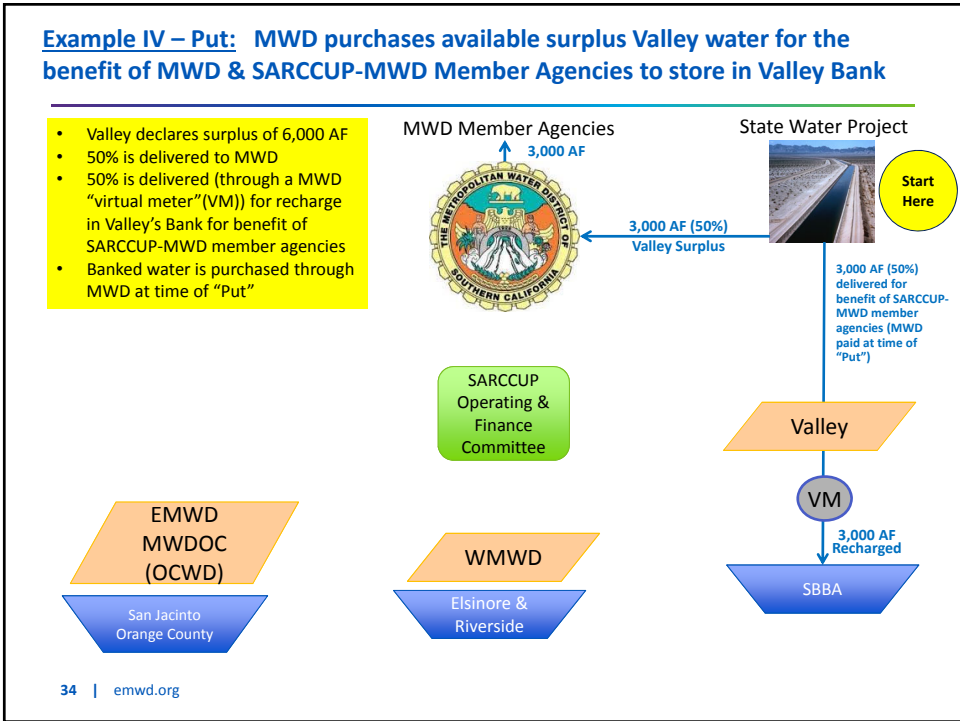
32

Example IV: Storage in SARCCUP Valley Bank (50% MWD, 50% SARCCUP-MWD Member Agencies)

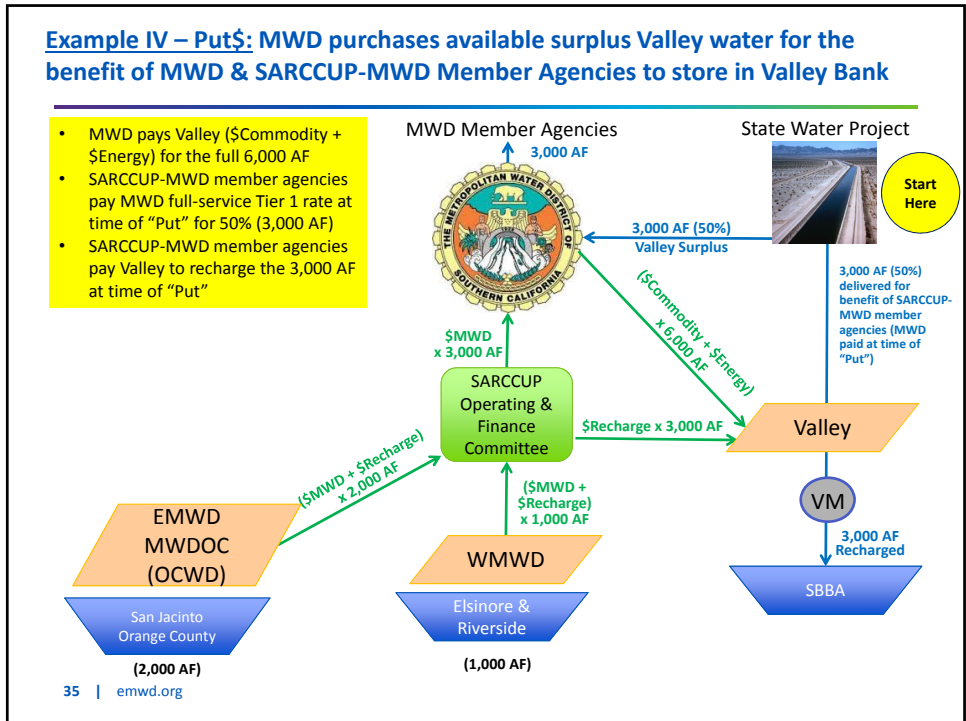
Put: Scenario C (Delivery to Valley) Take: Scenario 1 (Direct Delivery)



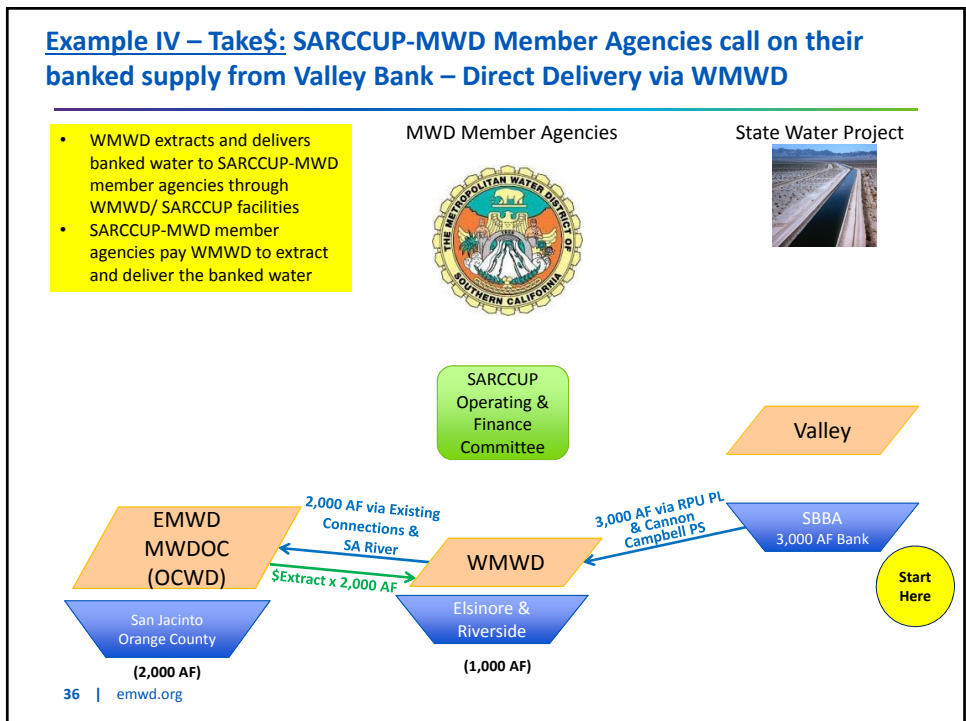
33



34



35



36

Purchases and Proceeds

EXAMPLES IV/V: Water is stored in Valley's bank

Description	PUT - Delivery to Valley					TAKE - Direct Delivery		
	MWD	Valley	Western	Eastern	MWDOC (OCWD)	Western	Eastern	MWDOC (OCWD)
Commodity and Energy Rates	-\$	\$						
MWD Full-Service Tier 1 Rate	\$		-\$	-\$	-\$			
Recharge Rate		\$	-\$	-\$	-\$			
Extraction Rate						\$	-\$	-\$

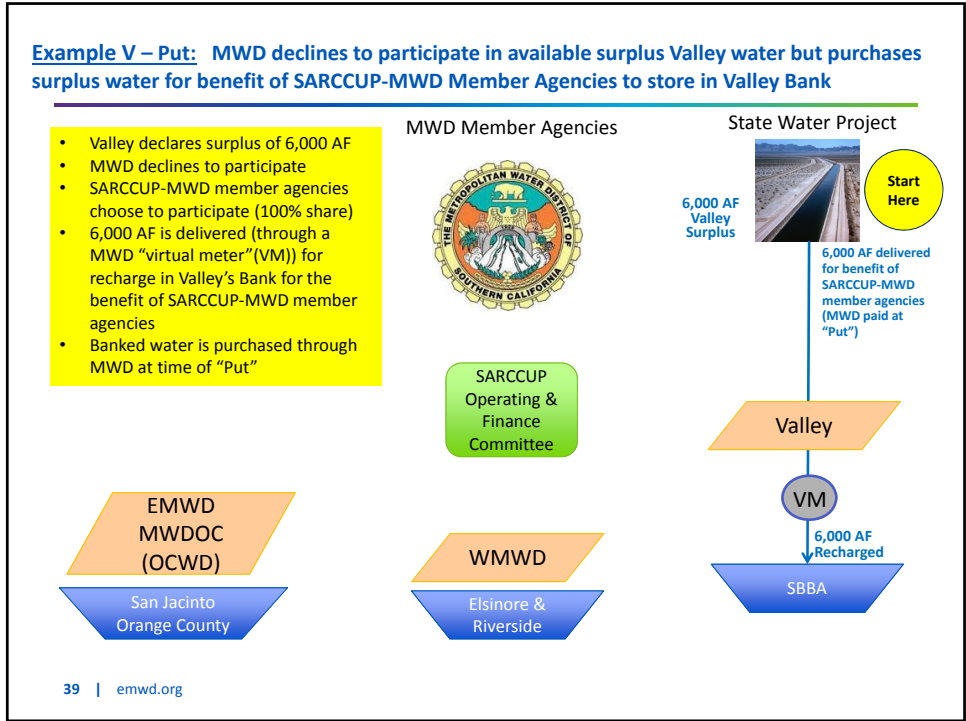
LEGEND
 -\$ Money Paid
 \$ Money Received

37

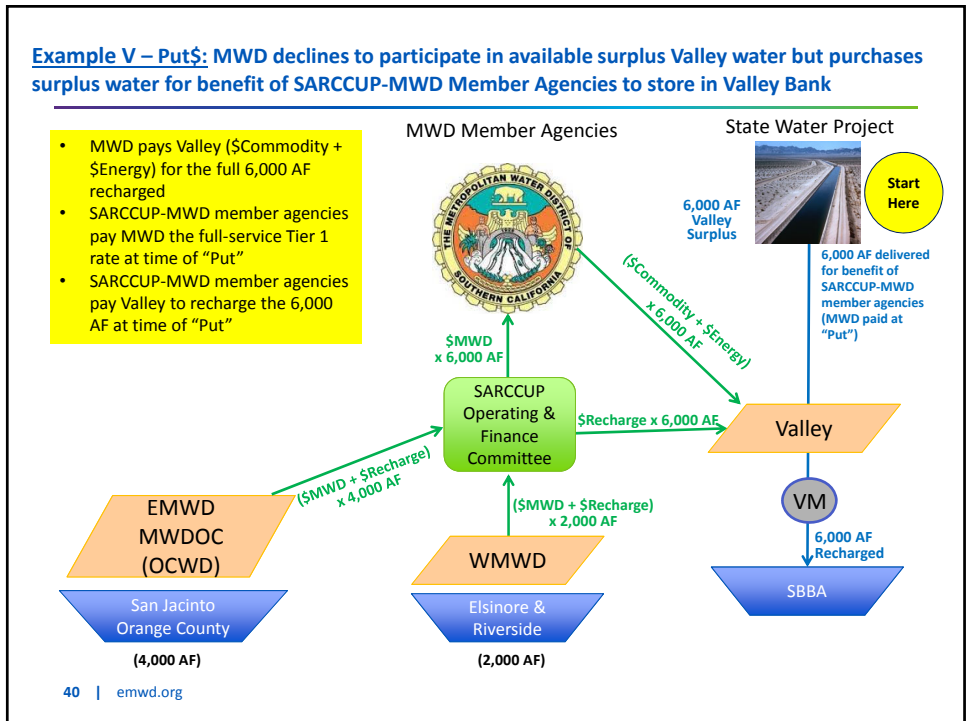
**Example V: MWD Declines to Participate
 (0% MWD, 100% SARCCUP-MWD Member Agencies)
 Put: Scenario C (Delivery to Valley)
 Take: Scenario 1 (Direct Delivery)**



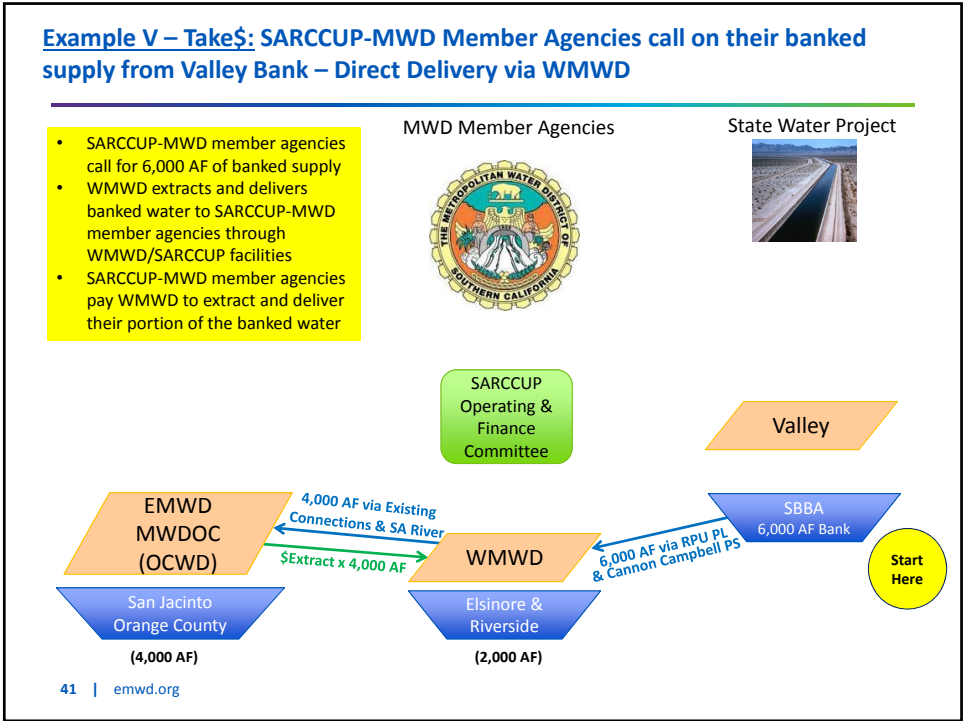
38



39



40



41

Purchases and Proceeds

EXAMPLES IV/V: Water is stored in Valley's bank

Description	PUT - Delivery to Valley					TAKE - Direct Delivery		
	MWD	Valley	Western	Eastern	MWDOC (OCWD)	Western	Eastern	MWDOC (OCWD)
Commodity and Energy Rates	-\$	\$						
MWD Full-Service Tier 1 Rate	\$		-\$	-\$	-\$			
Recharge Rate		\$	-\$	-\$	-\$			
Extraction Rate						\$	-\$	-\$

LEGEND
 -\$ Money Paid
 \$ Money Received

42 | emwd.org

42



43

SARCCUP Operating & Finance Committee

1. To be formed prior to project operations
2. Committee Members
 - Representatives from SARCCUP Member Agencies
3. Purpose of Committee
 - To coordinate purchases, delivery and extractions of water for water banking facilities
 - Manage and oversee related activities (consultant?)
 - Track transactions among MWD, Valley and SARCCUP-MWD Member Agencies
 - Prepare annual reports and other reports as needed
 - Prepare, maintain and periodically update financial and operational model
 - Prepare recommendations for SARCCUP member agencies' governing boards as needed



44



45

Next Steps

- **SARCCUP Operating Agreement with MWD**
 - Finalize Term Sheet with SARCCUP member agencies
 - Provide Term Sheet to MWD and meet to discuss
 - Prepare Final Agreement with MWD
- **Finalize any remaining issues with Valley-MWD Agreement for review and approval by MWD Board**
- **PA-23 to consider Amendment No. 2 to grant agreement (revised storage volumes and revised projects)**

46 | emwd.org

46



47

**Operational Term Sheet for
MWD-SARCCUP Member Agencies Agreement**

Background

- The Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) is a multi-agency, watershed wide groundwater storage and recovery project involving multiple basins in the Santa Ana Watershed. The goal is to store available and potentially lower-cost water during wet years in local groundwater basins throughout the watershed and extract the stored water during dry years to reduce the impacts from multi-year droughts.
- Eastern Municipal Water District (EMWD), Inland Empire Utilities Agency (IEUA), Municipal Water District of Orange County (MWDOC) acting on behalf of Orange County Water District (OCWD), and Western Municipal Water District (WMWD) are all member agencies of Metropolitan Water District of Southern California (MWD), herein referred to as “SARCCUP-MWD member agencies”.
- SARCCUP participants include the SARCCUP-MWD member agencies, OCWD and San Bernardino Valley Municipal Water District (Valley), herein referred to as the “SARCCUP member agencies”.
- Valley is a State Water Project (SWP) Contractor. Valley recharges SWP water into the San Bernardino Basin Area (SBBA) groundwater basin for the benefit of its member agencies.
- MWD is the regional imported water wholesaler that delivers water to 26-member agencies in Southern California and is also a SWP Contractor.
- As specified in a separate agreement between MWD and Valley, MWD will be given the right to purchase surplus SWP water made available by Valley. In that agreement, Valley requires that MWD make 50% of the surplus SWP water available to the SARCCUP-MWD member agencies.
- A SARCCUP Operations & Finance (O&F) Committee will be established consisting of the SARCCUP member agencies. The O&F Committee will analyze transactions proposed by the SARCCUP member agencies resulting in storage location and transfer recommendations that minimize costs in delivering water supplies.
- Any purchases of water from MWD or wheeling of water through the MWD system for the SARCCUP program will be conducted by the individual SARCCUP-MWD member agencies to which water will be delivered.

Supplies

- MWD will make available for sale to the SARCCUP-MWD member agencies, at MWD's full-service Tier 1 rate, an amount equivalent to 50% of the portion of Valley's surplus SWP water acquired by MWD for storage in SARCCUP banking facilities.
- Should MWD choose to purchase less than 100% of the surplus SWP water made available by Valley in a given year, the SARCCUP-MWD member agencies will have the option to purchase from MWD, at the full-service Tier 1 rate, the base amount plus an additional amount equivalent to the remaining portion of the surplus SWP water that MWD chooses not to purchase (residual amount) for storage in SARCCUP banking facilities.
- If a SARCCUP-MWD member agency so chooses, any base amount and any residual amount of water purchased from MWD and stored under the program could qualify as Extraordinary Supply provided that it meets all of the MWD Board Principles for Extraordinary Supply (Appendix H of the MWD Water Supply Allocation Plan), as amended from time to time.
- If a SARCCUP-MWD member agency so chooses, the base amount and any residual amount stored under the program shall be designated as Extraordinary Supply at time of purchase and delivery. If the water delivered under the program is pumped from storage during a non-allocation year, such water shall be considered a Local Supply, as described in Appendix H of the MWD Water Supply Allocation Plan.
- The SARCCUP-MWD member agencies may also choose to wheel water through the MWD system for storage in SARCCUP banking facilities. Any water wheeled by the SARCCUP-MWD member agencies shall be done under applicable sections of MWD's Administrative Code and adopted rate schedule, as amended from time to time. Such water may also be designated as Extraordinary Supply to the extent it meets all MWD adopted Board Principles (Appendix H of the MWD Water Supply Allocation Plan), as amended from time to time.

Delivery (Put) Scenarios

- Any water sold by MWD under the program and delivered to the SARCCUP-MWD member agencies falls into three delivery (put) options (i.e. Scenarios). One or more of these scenarios may be used separately or in combination:
 - **Scenario A (Direct Delivery)** – Delivery to SARCCUP-MWD member agencies via direct delivery from MWD facilities to the SARCCUP storage facilities
 - **Scenario B (In-Lieu Delivery)** – Delivery to SARCCUP-MWD member agencies' SARCCUP storage facilities in-lieu via MWD facilities (where one SARCCUP-MWD member agency purchases water and the water is physically delivered to another SARCCUP-MWD member agency for storage in their SARCCUP storage facilities)

- **Scenario C (Delivery to Valley)** – Delivery of SARCCUP-MWD member agencies’ water to Valley’s SARCCUP recharge facilities (through a “MWD virtual meter”) for storage in the SARCCUP SBBA bank (outside the MWD service area)
- Payment for the surplus SWP water purchased by MWD shall be to Valley pursuant to the separate agreement between MWD and Valley.
- MWD invoices each SARCCUP-MWD member agency the MWD full-service Tier 1 rate, or equivalent, at the time of delivery of water under this program to the SARCCUP-MWD member agency.
- All deliveries are through MWD facilities or an agreed upon MWD virtual meter.

Recovery (Take) Scenarios

- Stored water recovered from a SARCCUP groundwater bank falls into two recovery (take) options (i.e. Scenarios). One or more of these scenarios may be used separately or in combination:
 - **Scenario 1 (Direct Delivery)** – Pumping and direct conveyance of stored water between SARCCUP-MWD member agencies using local conveyance facilities
 - **Scenario 2 (In-lieu Delivery)** – In-lieu delivery between SARCCUP-MWD member agencies whereby one SARCCUP-MWD member agency pumps and uses program water previously stored within its service area and then reduces its MWD deliveries by an equivalent amount (in-lieu amount), and the second SARCCUP-MWD member agency increases its purchases of MWD supply by the same in-lieu amount.
- For both “take” scenarios, the accounting and financial reconciliation for costs of recovering supplies would be between the SARCCUP-MWD member agencies, under a separate agreement.
- No banked water is conveyed through the MWD system. Recovery of stored water is either in-lieu or direct deliveries using local conveyance between SARCCUP-MWD member agencies.
- For purposes of accounting, the SARCCUP-MWD member agencies will provide regular updates to MWD for certification of Extraordinary Supply.