

Overview of PA 23 Committee Items

April 1, 2020

Metropolitan Water District of Southern California Agreements Related to SARCCUP:

The two upcoming agreements to be executed related to the implementation of SARCCUP include:

- A. San Bernardino Valley Municipal Water District-Metropolitan Water District of Southern California (SBVMWD-MWDSC) Coordinated Operating and Surplus Water Sale Agreement, and
- B. SARCCUP Coordinated Operating Agreement.

Agreement A is to provide for coordinated operation of MWDSC and SBVMWD facilities that convey State Water Project (SWP) water into the watershed and, key to the SARCCUP Project, set the terms for the offer of surplus water to MWDSC to benefit the SARCCUP agencies. It also identifies the cost that MWDSC would pay SBVMWD for the surplus water. Surplus SBVMWD water can be one of the imported water sources SARCCUP agencies can purchase from MWDSC to bank in the watershed during wet years.

The offer can occur each year per the sequence of events that begin with the SBVMWD Board of Directors' declaring a surplus of SWP water. The sequence, per the draft Agreement A, is as follows:

- Step 1: SBVMWD, at its sole discretion, declares a surplus of SWP water no later than June 1. If they do not declare a surplus, no offer is made.
- Step 2: SBVMWD first offers 5,000 AFY of its surplus for sale to San Geronio Pass Water Agency, another state water contractor not currently participating in SARCCUP, which has their own existing agreement with SBVMWD.
- Step 3: SBVMWD then offers a quantity of its surplus SWP water to MWDSC. MWDSC in turn offers a minimum of 50% of that quantity to the MWDSC agencies participating in SARCCUP.

The draft costs are based on the final SWP allocation that the Department of Water Resources annually declares for the 29 state water contractors who own capacity in the system. SBVMWD's SWP Table A allocation (100%) is 102,600 acre feet (AF) per year.

Final SWP Allocation	Water Cost	SWP Energy Cost (estimate)	Total Cost
0 - 20%	\$450	\$250	\$700
21 - 40%	\$350	\$250	\$600
41 - 60%	\$250	\$250	\$500
61 - 100%	\$150	\$250	\$400

Both MWSDC and SBVMWD, per the draft Agreement A, agree to re-evaluate the costs every five years.

The purpose of Agreement B, as previously discussed with the PA 23 Committee, is to establish terms and conditions for the purchase, delivery and use of that surplus SBVMWD SWP water available per Agreement A. Agreement B is between the MWSDC and its member agencies (i.e. not SBVMWD which is a separate SWP contractor, and note MWDOC is the MWSDC agency for OCWD).

Agreement B does the following:

- Establishes terms and conditions for the purchase, delivery and use of MWSDC water (surplus SBVMWD SWP water) pursuant to MWSDC’s Administrative Code.
- Describes the relationship with the MWSDC member agencies in the watershed, MWSDC and SBVMWD.
- Documents the rate for MWSDC water (surplus SBVMWD water) and financial arrangements.
- Determines processes for water deliveries and exchanges for the “put” and “take” scenarios.
- Documents consistency with MWSDC’s policy regarding extraordinary supply designation.

The current status and estimated schedule of the agreements are as follows:

Timing*	Action
Current Status	With MWSDC legal counsel for review.
April 2020	SBVMWD and MWSDC member agencies** review/incorporate MWSDC legal counsel comments.
May 2020	SBVMWD and MWSDC member agencies present agreements to their boards.
June 2020	MWSDC board is presented with informational items on the Term Sheet which provides an overview of the agreements.
July 2020	MWSDC board is presented the Term Sheets for approval to draft and execute the agreements.

* Timing depends on the review time by legal counsels and is subject to change.

**MWSDC member agencies refers to those participating in SARCCUP that are a member agency of MWSDC: EMWD, IEUA, MWDOC, and WMWD. OCWD is within the MWDOC service area and will coordinate purchases through MWDOC.

Since the two agreements relate, they will be taken together to the MWSDC board. As stated in the table above, the concise Term Sheets for the agreements (i.e. not the full agreements) will be taken to the MWSDC board per their normal procedures for their General Manager to sign and execute.

Grant Agreement Amendment:

The SARCCUP Team has finalized the Proposition 84 Integrated Regional Water Management (IRWM) 2015 Round Grant Amendment No. 2 request to DWR and submitted it on March 24, 2020. The changes to the SARCCUP scope of work, schedule and budget included in the amendment were approved by the PA 23 Committee at their April and October 2019 meetings. As approved by the Committee, the SARCCUP Team is proposing to reduce SARCCUP’s conjunctive use (water bank) maximum storage

amount from 180,000 to 137,000 AF due to storage reductions originally planned for the Chino Basin. Even with this reduced maximum storage volume of 137,000 AF, the project remains one of the largest IRWM grant funded projects in the State and on par in volume and size with several existing major storage reservoirs in the State. All major changes are included in the table below.

Amendment Item	Task Number	Groundwater Basin Affected
Update Chino Basin Storage Amount from 50,000 to 7,000 AF	N/A – Tasks related to the Chino Basin removed.	Chino
Update Total Groundwater Basin Storage Amount from 180,000 to 137,000 AF	N/A – Table in Project Description updated.	All
Addition of Wells in Orange County	8.3 and 12.3	Orange County
Change the Conservation-Based Water Rates Task	12.5	N/A
Budget Changes, Including Total Project Cost Updates	All Budget Categories	All
Increase Schedule from September 2021 to September 2023	N/A	All

Note that on September 3, 2019, the SAWPA Commission also approved changes to the water use efficiency portion which include removal of the conservation-based rates task and addition of the water budget assistance task.

It typically takes six to nine months (between September 2020 to December 2020) for DWR to review and approve it. With California affected by COVID-19, the timeline for SAWPA to receive approval may increase beyond that. SAWPA will continue to engage DWR staff and their management team to move the amendment as quickly as possible. SAWPA has received DWR management’s preliminary approval of the two-year schedule increase. If the timeline for approval of the overall amendment takes longer than anticipated, SAWPA staff will take similar steps.

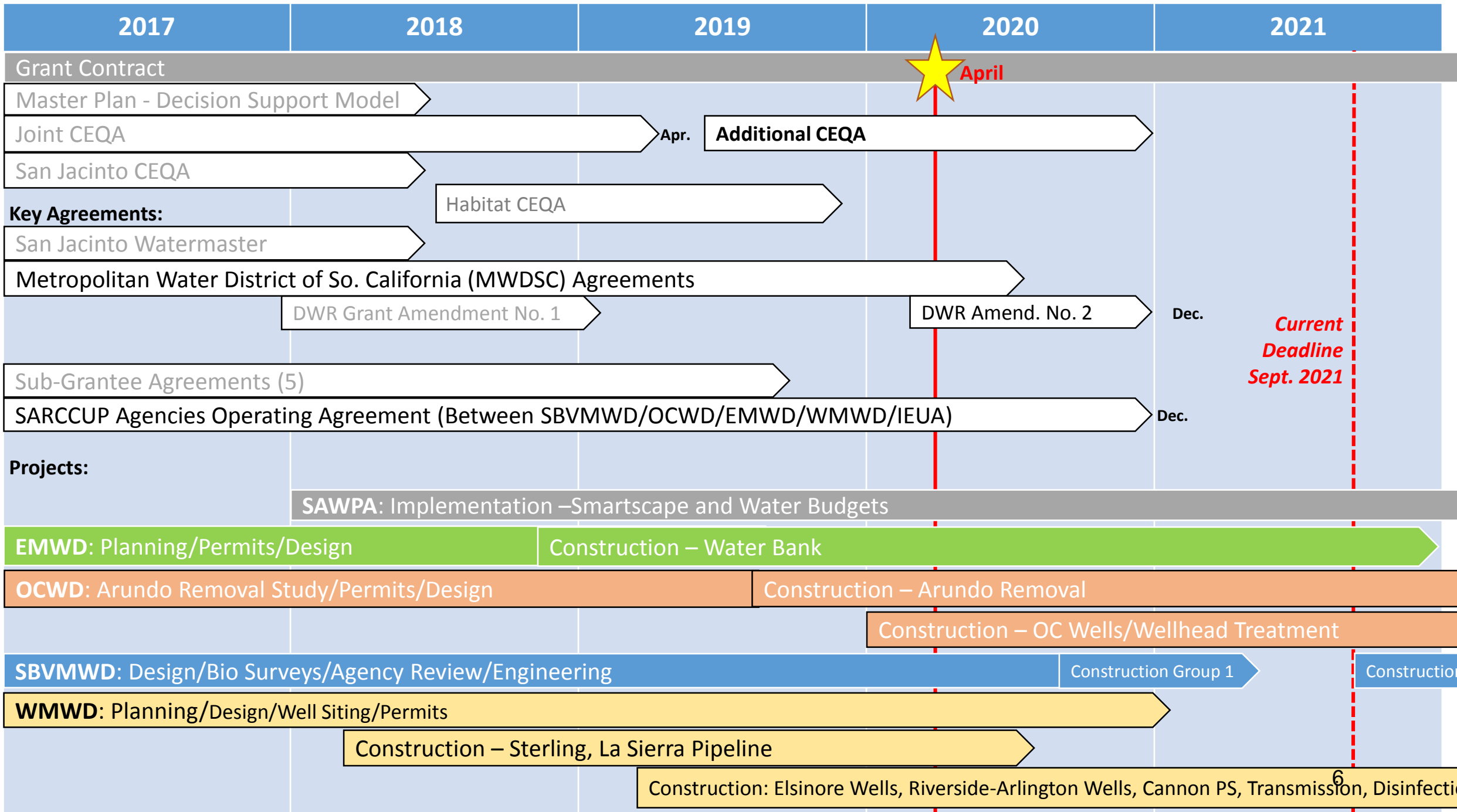
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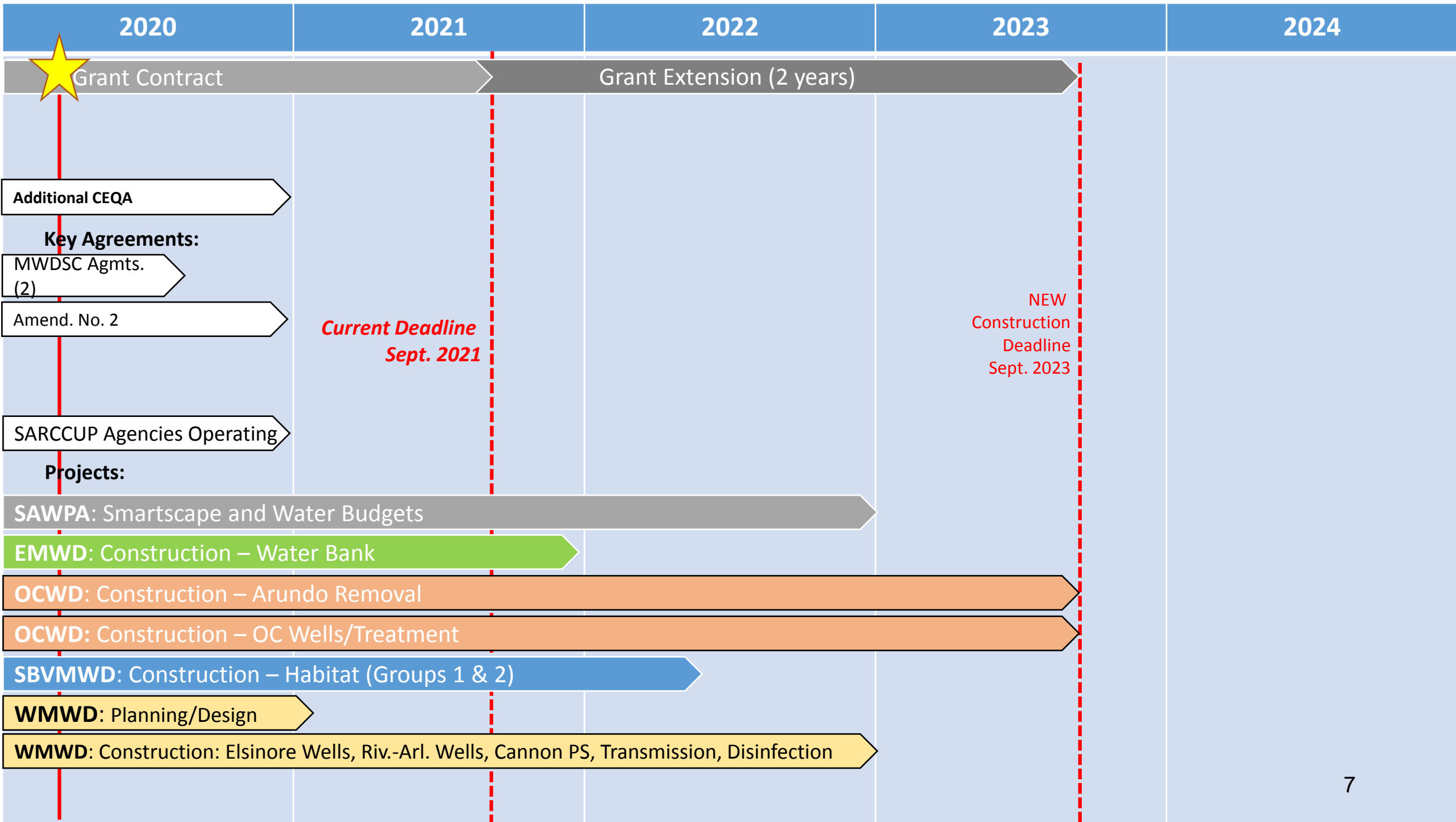


SARCCUP Schedule Update

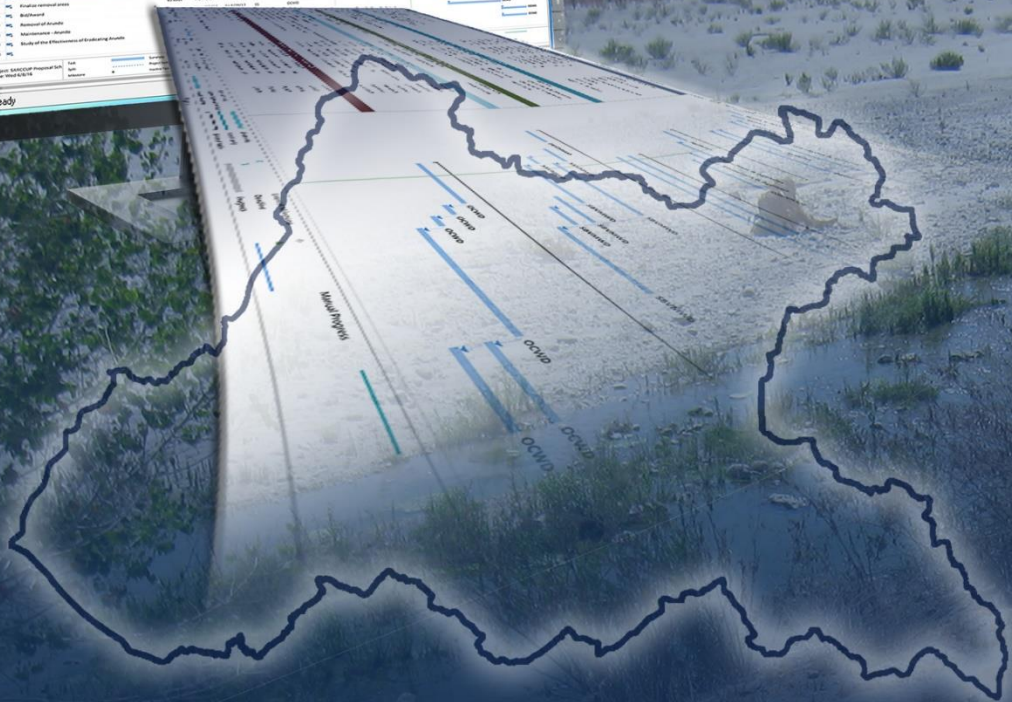
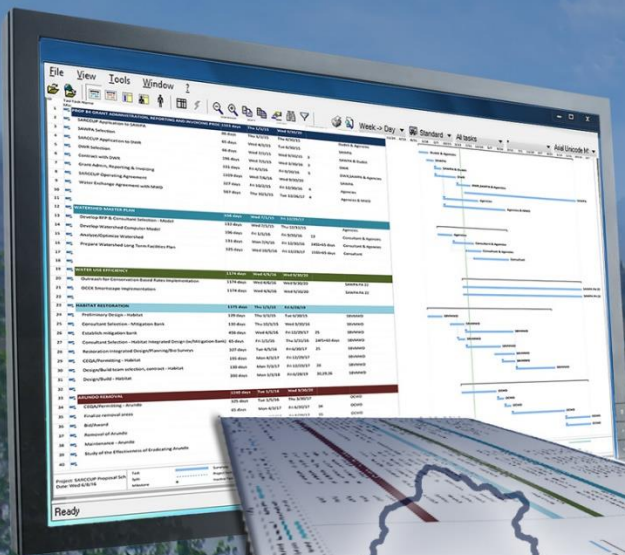
April 1, 2020

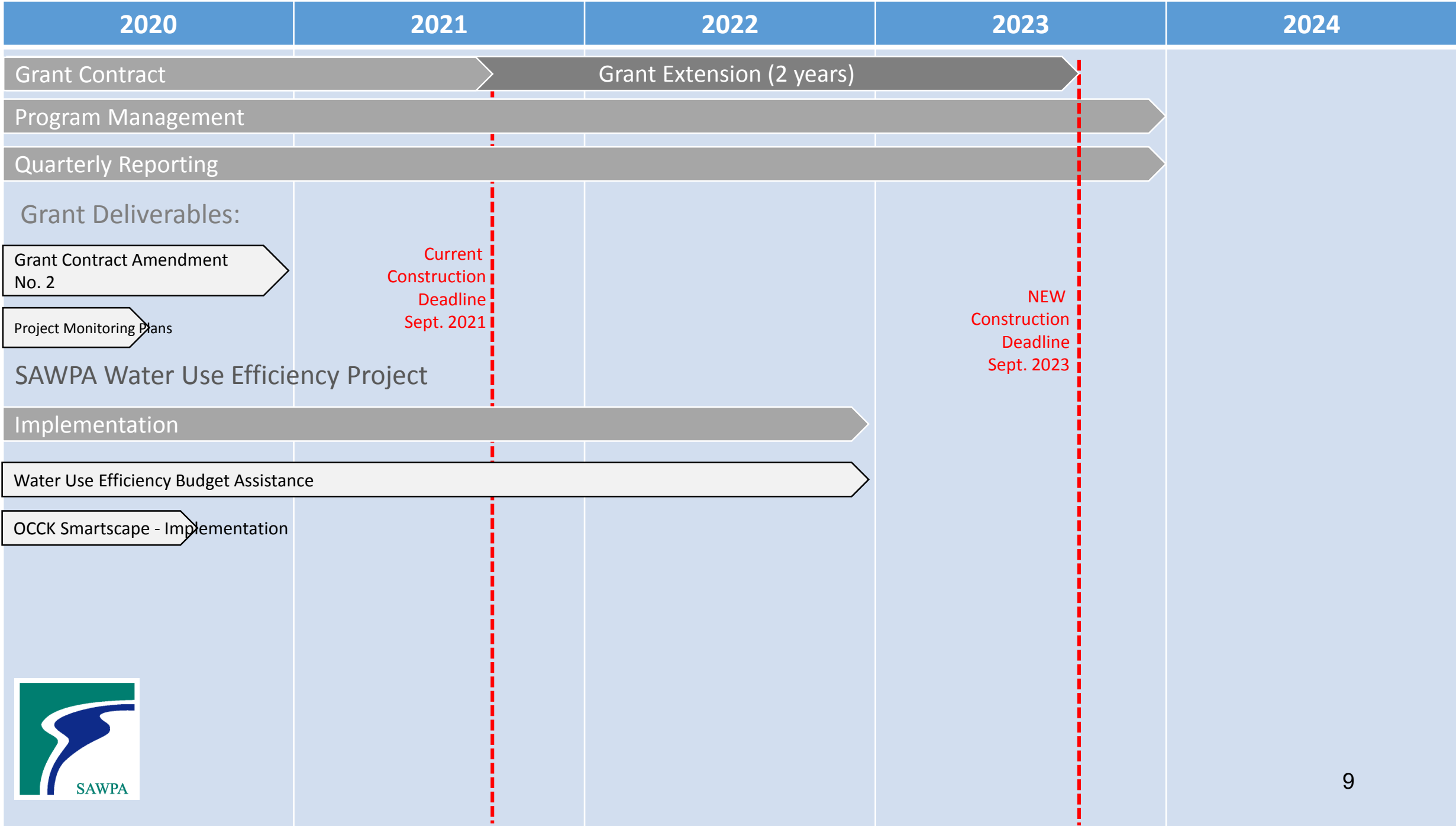






2020-2023 Agency Slides





2020	2021	2022	2023	2024
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Grant Contract → Grant Extension (2 years) →

EMWD Conjunctive Use Project

Current
Construction
Deadline
Sept. 2021

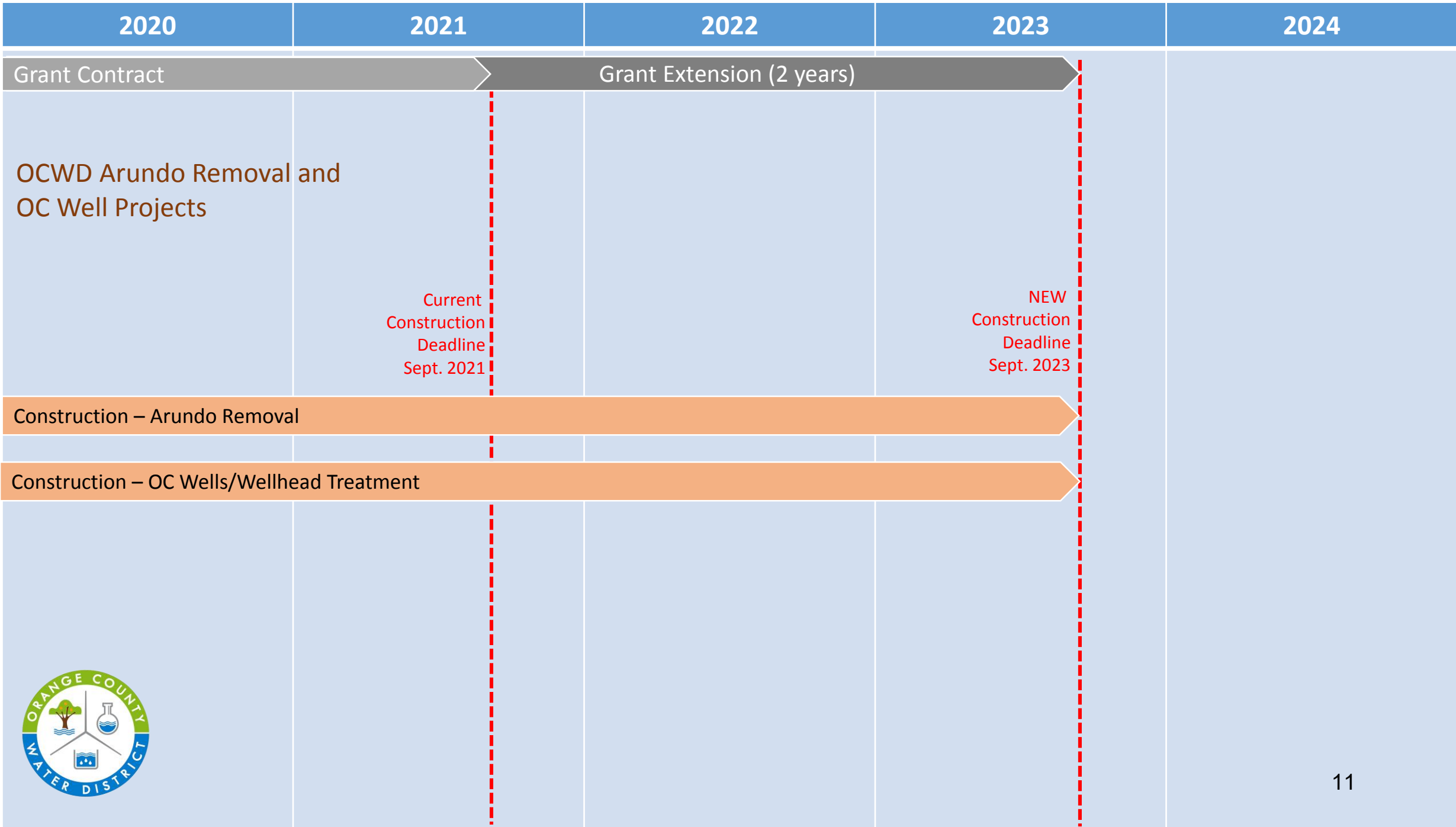
NEW
Construction
Deadline
Sept. 2023

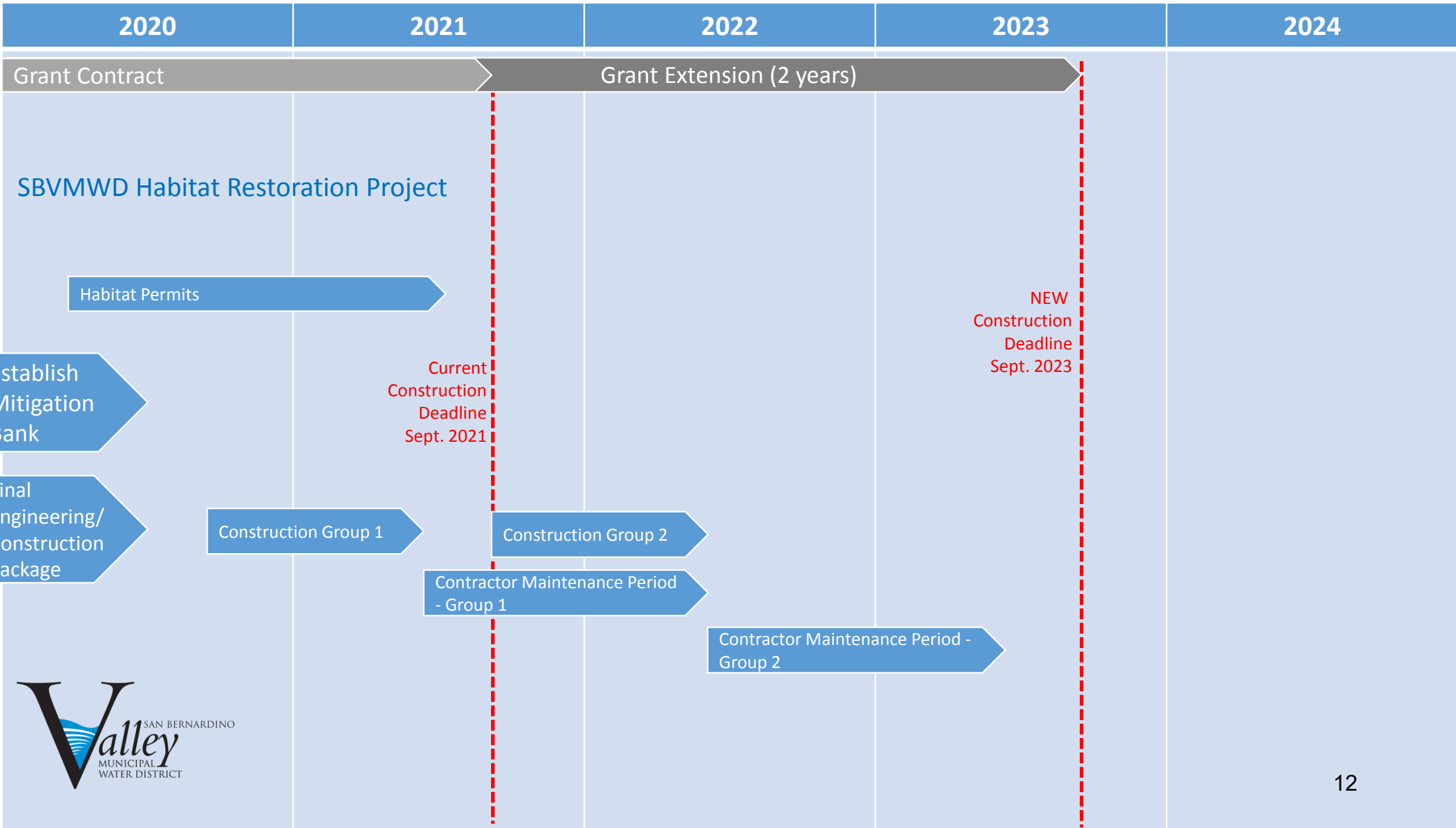
Construction

Mountain Avenue West Recharge Fac.

Well Equipping, Discharge Pipelines, Three Wells







2020

2021

2022

2023

2024

Grant Contract

Grant Extension (2 years)

SBVMWD Habitat Restoration Project

Habitat Permits

Establish Mitigation Bank

Final Engineering/Construction Package

Construction Group 1

Construction Group 2

Contractor Maintenance Period - Group 1

Contractor Maintenance Period - Group 2

Current Construction Deadline Sept. 2021

NEW Construction Deadline Sept. 2023



