SANTA ANA REGIONAL CONSERVATION CONJUNCTIVE USE PROGRAM

MWDOC-MET Joint Workshop Board Meeting
September 5, 2018

Agenda

- MWDOC Staff
  - SARCCUP Overview
  - SARCCUP Key Elements
  - Operational Principles
  - Benefits to Orange County
  - Current Status

- Metropolitan Staff
  - MET’s History with San Bernardino Valley Municipal Water District (Valley MWD)
  - Coordinated Operating Agreement
  - Extraordinary Benefit Eligibility
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
SARCCUP Overview

- **Objective:** 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

- **Amount:** 180,000 AF from San Bernardino Valley Municipal Water District

- **Total SARCCUP Program Cost:** $100 million

- **Grand Funding Awarded:** $55 million from Prop. 84

Description of SARCCUP Water Bank

- **Land:** Four locations with coordinated operations

- **Water Supply: Access to Valley MWD**
  - MET 50%
  - SARCCUP 50%

- **Recovery:** Up to 60,000 AFY
  - (180,000 AF over 3 years)

- **Conveyance:** Direct potable deliveries or In-lieu deliveries
### Description of SARCCUP Water Bank (cont.)

<table>
<thead>
<tr>
<th>Bank Size</th>
<th>Facilities</th>
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<tbody>
<tr>
<td>19,500 AF</td>
<td>3 Wells &amp; Recharge Site</td>
</tr>
<tr>
<td>50,000 AF</td>
<td>2 Wells</td>
</tr>
<tr>
<td>36,000 AF</td>
<td>Cannon Campbell PS</td>
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<tr>
<td>64,000 AF</td>
<td>La Sierra Pipeline</td>
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**Bank Size:**
- Chino Basin (50,000 af)
- San Bernardino Basin (64,000 af)
- Riverside Basin (6,000 af)
- Orange County Basin (36,000 af)
- Elsinore Basin (4,500 af)
- San Jacinto Basin (19,500 af)
Operational Principles

- In all cases, MET pays for Valley SWP water and SARCCUP-MWD Member Agencies pay MET full service rate at time of delivery for their share
- All deliveries are through MET facilities or MET virtual meter
- No banked groundwater can be introduced into the MET system
- SARCCUP operations as described are within MET Administrative Code

How Does This Work?

- **Different Methods of Delivery**
  - Two recovery options for Local and/or Extraordinary Supply
    - Direct Delivery between SARCCUP-MET member agencies
    - In-Lieu exchanges between SARCCUP-MET member agencies through redirected MET deliveries
  
Example: Direct Delivery and Extraordinary Supply
Orange County operating scenario
Example A – **Put**: MET purchases available Valley Surplus Water for the benefit of MET and OCWD for storage in OC Basin

1,000 AF

OCWD purchases 1,000 AF for storage through MWDOC

**Start Here**

1,000 AF

Valley Surplus

1,000 AF

SBBA

1,000 AF Recharged*

Orange County

Elsinore & Riverside

San Jacinto

* Designated as Extraordinary Supply

Example A – **Finance**: MET purchases available Valley Surplus Water for the benefit of MET and OCWD for storage in OC Basin

1,000 AF

OCWD purchases 1,000 AF for storage through MWDOC

**Start Here**

1,000 AF

Valley Surplus

1,000 AF

SBBA

1,000 AF Recharged*

Orange County

Elsinore & Riverside

San Jacinto

* Designated as Extraordinary Supply
Example A – **Take**: MET purchases available Valley Surplus Water for the benefit of MET and OCWD for storage in OC Basin

OCWD producers pump 1,000 AF from OC Basin

Program Benefits to Orange County

- Orange County receives access to SWP (Valley MWD) and potentially Non-SWP Water for drought or emergency purposes
  - Purchased from MET at the full-service rate (via MWDOC)
  - Access to Extraordinary Supply Credits

- Water is stored locally (up to 36,000 AF in OCWD Basin)
  - Available to Orange County Retail Agencies

- Flexibility in **Put** and **Take** operational scenarios

* Designated as Extraordinary Supply
Current Status of SARCCUP

- Discussions continue with SARCCUP Agencies and MET Staff

- SARCCUP Operating Agreement
  - Develop Term Sheet
  - Prepare Final Agreement

- Finalize any remaining issues with Valley MWD and MET Agreement for review and approval by MET Board
San Bernardino Valley MWD / Metropolitan Coordinated Operating Agreement & Extraordinary Supply
James Bodnar
Metropolitan Water District of Southern California
MWDOC
September 5, 2018

Disclaimer

Metropolitan’s Board has not yet acted on any new agreement with San Bernardino Valley Municipal Water District nor any agreement with member agencies related to how water would be managed under the Santa Ana River Conservation Conjunctive Use Program.
History

Background
- Metropolitan concerned with Valley District delivering water into Metropolitan’s service area without Metropolitan’s consent

2000 Coordinated Operating Agreement
- Stayed litigation
- Provided water supply benefits
- Access to Valley District - Foothill Feeder

Updated Coordinated Operating Agreement
- Continue mutual benefits
- Valley District requires SARCCUP element

Potential Coordinated Operating Agreement Terms

- Valley District and Metropolitan shall not deliver water into the other party’s service area without prior written consent
- Valley District provides only surplus SWP supplies
- Up to 50% of an equivalent amount of water could qualify as extraordinary supply for a SARCCUP member agency
- Water must meet Metropolitan Board Policy on extraordinary supply
Metropolitan pays Valley District $100/AF to $400/AF depending on SWP allocation
Price set for five years
Metropolitan pays actual SWP power costs (requires annual reconciliation)

No negative impacts to other member agencies
Provides supply in addition to existing regional supplies
Specifically designed program
Intended for consumptive use in an allocation
Fully documented actions
Extraordinary Supply Criteria

- Programs that may qualify:
  - Single and multi-year transfers
  - Defined/planned storage accounts

- Programs that would not qualify:
  - Core-type transfers used in non-WSAP years
  - Overproduction of storage that is not defined/planned
  - Hydrologic-based increases in existing local supplies

Metropolitan Staff Observations

- Improves coordination among neighboring State Water Project Contractors
- Additional water supply to the region resulting in improved reliability
- All parties receive a benefit, even member agencies not participating in the program
- No modification of billing to member agencies
- Member agencies must demonstrate program consistent with extraordinary supply principles
Next Steps

- Continue discussions with member agency and Valley District
- Metropolitan Board authorization potentially in early 2019
- SARCCUP operating agreements