



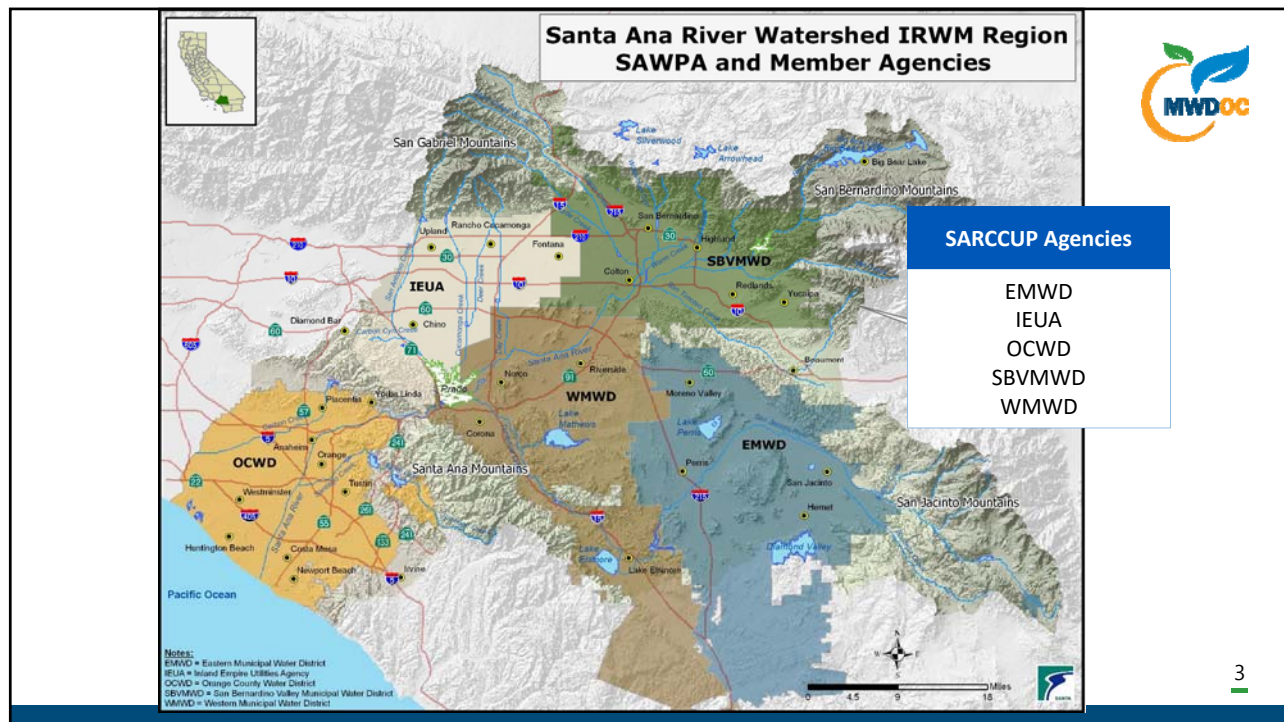
## Agenda

- 💧 **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



Agenda





## 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



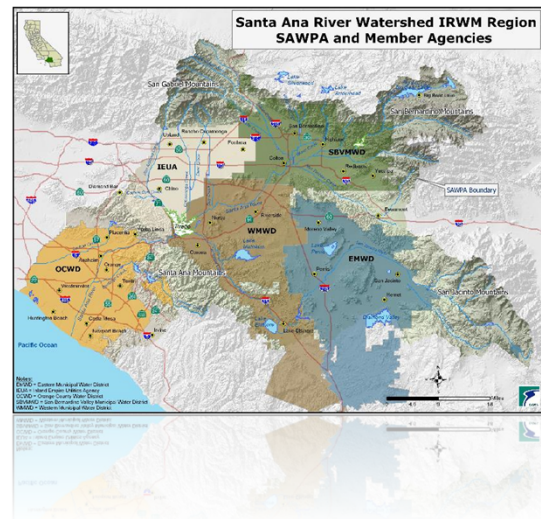
## SARCCUP Overview

- 💧 **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

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## 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



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## Description of SARCCUP Water Bank (cont.)



**Bank Size**  
19,500 AF

**Facilities**  
3 Wells  
& Recharge Site



**Bank Size**  
50,000 AF

**Facilities**  
2 Wells



**Bank Size**  
36,000 AF



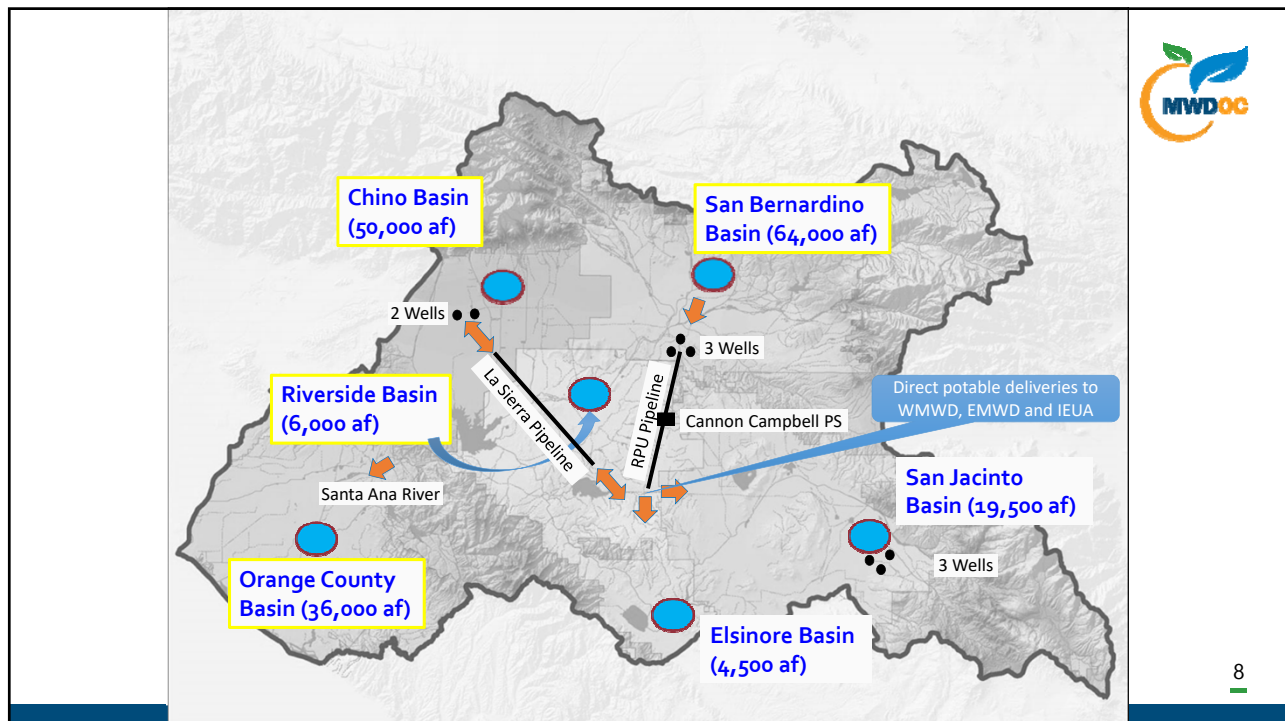
**Bank Size**  
64,000 AF



**Bank Size**  
10,500 AF

**Facilities**  
3 Wells  
Cannon Campbell PS  
La Sierra Pipeline

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## 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?

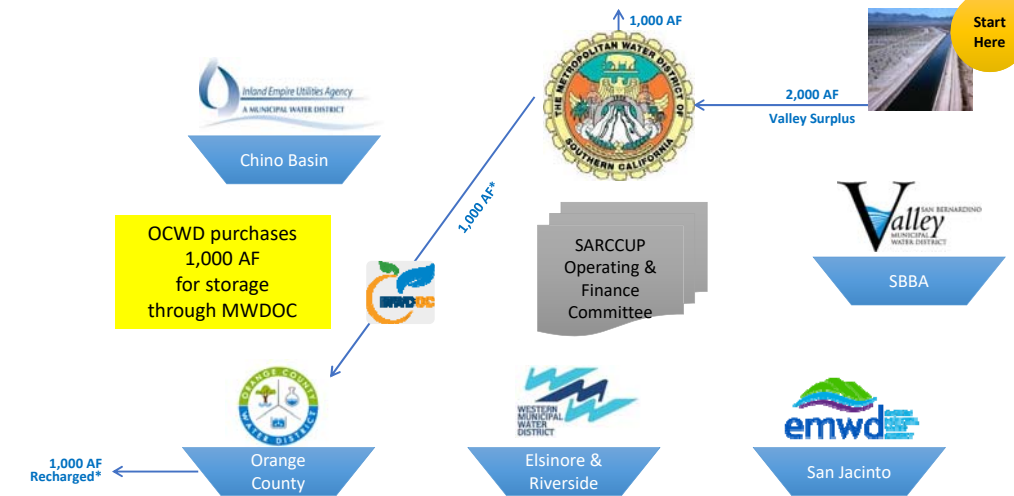


### 💧 Different Methods of Delivery

- 🔥 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

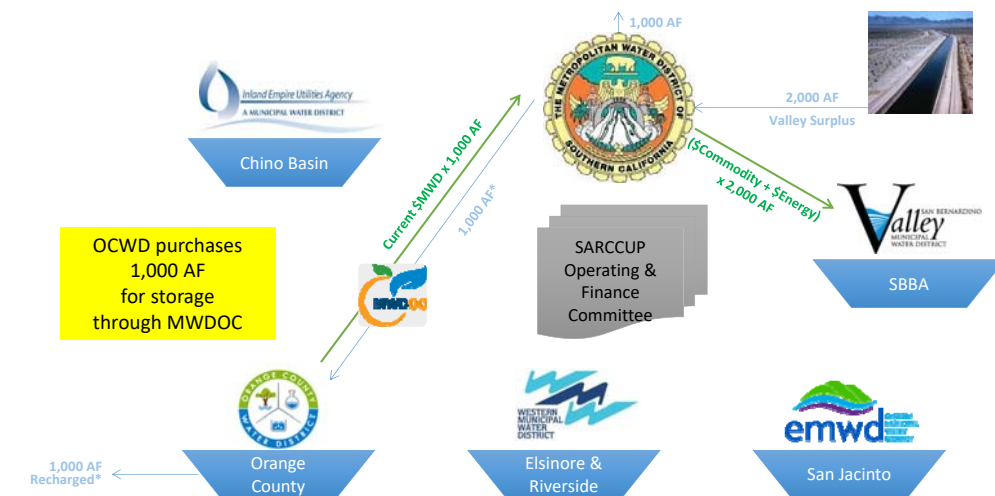
## Example A – Put: MET purchases available Valley Surplus Water for the benefit of MET and OCWD for storage in OC Basin



\* Designated as Extraordinary Supply

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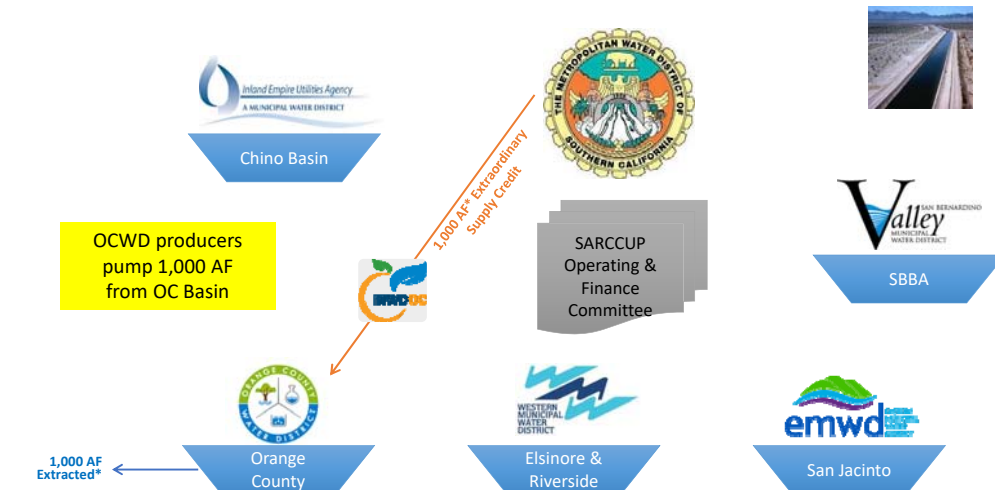
## Example A – Finance: MET purchases available Valley Surplus Water for the benefit of MET and OCWD for storage in OC Basin



\* Designated as Extraordinary Supply

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



\* Designated as Extraordinary Supply

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## 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 MWD OC)
  - 🔥 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**



## 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

## Potential COA Terms

- 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)

## Extraordinary Supply Principles

- 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

