



Update on Chino Basin Program Development and Pending Terms of Agreement with Inland Empire Utilities Agency

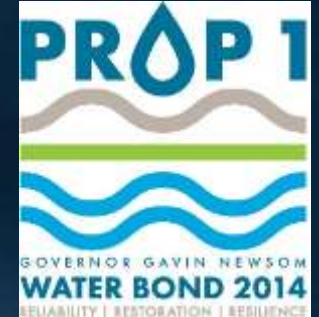
Water Planning and Stewardship Committee

Item 6b

March 7, 2022

Proposition 1 Recap

- Proposition 1 approved \$7.5 billion of funding (Nov. 2014)
 - State water bond for water system investments
 - \$2.7 billion specifically for water storage projects
- California Water Commission (CWC) uses the Water Storage Investment Program (WSIP) to allocate the funds
 - One of the projects given conditional funding is the Chino Basin Program (CBP)



Previous Board Briefing

- In June 2021, staff presented an update on the Prop 1 WSIP projects and an overview of the Chino Basin Program
 - Metropolitan provided letter of intent to continue collaborating with IEUA as its potential facilitating SWP contractor
- Staff have continued working with IEUA on program development and agreement terms



WSIP Pulse Flow Project Framework



1. California Dept. of Fish & Wildlife aims to provide pulse flows to Feather River

2. To balance water used for pulse flow, DWR would reduce SWP allocations to a State Water Contractor

3. To compensate for reduced SWP allocations, water would be delivered from the WSIP groundwater project to the State Water Contractor

CBP – How Would It Work?

New advanced water treatment
to produce up to 15,000 AFY



Treated water is
stored in Chino Basin

State Calls for Exchange
(Up to 50 TAFY)

Up to 50 TAF* equivalent
exchange of SWP supplies
and Chino Basin supplies

Stored groundwater from
Chino Basin would be
provided to MWD

- Exchange would be up to 375 TAF over 25 years
- State could request up to three consecutive years, if sufficient stored groundwater available
- After 25-year program term, stored water would be used for local supply

**Dependent on pulse flow call and carriage loss accounting*

Program Benefits

State and Public

- Environmental benefits for Chinook salmon and surrounding ecosystem
- Additional flows in Feather River could alleviate significant ecosystem impacts during dry and critical years



Program Benefits

State and Public

IEUA/Chino Basin

- New facility will allow IEUA to meet advanced water treatment requirements
- Treated water would reduce salinity and improve overall water quality in the Chino Basin
- Chino Basin is increasing managed storage capacity up to 1 MAF, which can be more effectively used with proposed program facilities



Program Benefits

State and Public

IEUA/Chino Basin

MWD/Regional

- Improves regional reliability & system flexibility within MWD's service area
- Improves critical dry year reliability
 - No pulse flow exchanges in critical dry years
 - Provides option for additional supplies in SWP Dependent area
- Includes emergency use provision for up to 50 TAF
- Sets precedent of assigning monetary value to environmentally beneficial water supplies

Metropolitan as a Facilitating Partner

- The Prop 1 agreement for the Chino Basin Program is between IEUA and the California Water Commission
 - Several associated agreements needed to facilitate the program
 - Metropolitan not party to all agreements
- As facilitating partner, MWD will see neutral to net gain
 - Tenet of “no harm”
 - Protects SWP Dependent areas

List of Agreements Needed (MWD in Green)

- A1. SWP Pulse Flow Exchange Agreement
- A2. Metropolitan-DWR SWP Article 15a Exchange Agreement
- A3. DWR – DFW Pulse Flow Agreement
- B. CBP Participating IEUA Member Agency Agreements
- C. Metropolitan-IEUA Exchange Agreement
- D. Recycled Water Source Agreements
- E. WSIP Public Benefit Agreement with DFW
- F. WSIP Public Benefit Agreement with SWRCB (Water Quality)
- G. WSIP Public Benefit Agreement with DFW (Emergency Water)
- H. CWC Funding Agreement

Agreements with Metropolitan as a Party

- SWP Pulse Flow Exchange Agreement
 - Parties: DWR, IEUA, MWD
 - Purpose: Pulse flow operation terms, annual decision making
- Metropolitan-DWR SWP Article 15a Exchange Agreement
 - Parties: DWR, MWD
 - Purpose: Terms for exchange of SWP Table A allocation
- Metropolitan – IEUA Exchange Agreement
 - Parties: MWD, IEUA
 - Purpose: Exchange quantities, performance requirements, operational agreements

Pending Terms of Agreement

- Agreement terms cover the following areas:
 - Exchange quantities
 - Call quantities, how stored groundwater will be delivered to MWD service area (in-lieu and pump in)
 - Operations
 - Limitations on when call year can be initiated (e.g., no call in critical dry years)
 - CBP Operating Committee to establish IEUA/MWD activities (go/no go)
 - Cost
 - MWD not obligated to invest in exchange facilities
 - Additional benefits
 - Flexibility provided to MWD

Chino Basin Program Timeline



Next Steps

- MWD Action item in April to authorize the General Manager to negotiate terms and conditions consistent with MWD/IEUA Exchange Agreement draft terms
- IEUA will continue working on developing agreements
- Staff will return for Board approval of all MWD agreements, including approval of final MWD/IEUA Exchange Agreement terms

