



One Water and Adaptation Committee

Authorize the General Manager to Terminate Conjunctive Use Program Agreements

Items 7-12, 7-13, 7-14, 7-15, 7-16, and 7-17

April 7, 2025

Items 7-12 through 7-17

Termination of Six CUP Agreements

Subject

Authorize the General Manager to terminate Conjunctive Use Program agreements; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA.

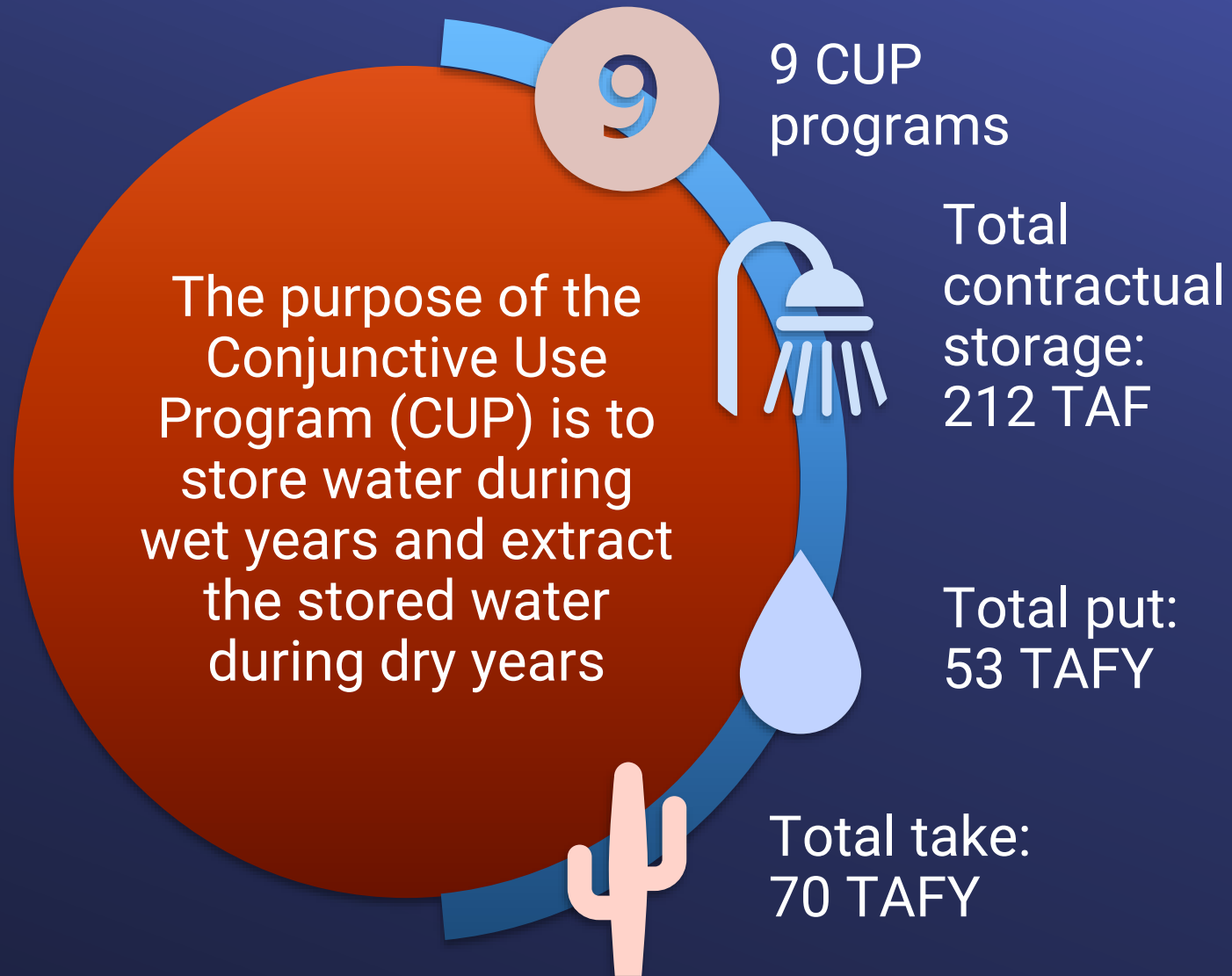
Purpose

Request Board approval to terminate inactive Conjunctive Use Program agreements

Next Steps

Execute Conjunctive Use Program termination agreements with member agencies

Overview



History of Conjunctive Use Program (CUP)

Approval

- Board adopted principles for CUP Program in 2000
- Voters approve Proposition 13 (Prop 13) in 2000
- Metropolitan releases RFQ for proposed CUP programs

Agreements & Funding

- 9 CUP agreements are executed from 2002-2006
- 25-year term
- \$45 million from the Department of Water Resources (DWR) from Prop 13
- \$27 million from Metropolitan

Ongoing Operations

- 350,000 acre-feet has been stored in CUP program since 2002
- 266,000 acre-feet of dry-year yield that has benefited Metropolitan during drought and emergencies.

Conjunctive Use Programs Proposed for Termination

- Compton
- Foothill Area
- Live Oak
- Long Beach Phase 1
- Long Beach Phase 2 (Lakewood)
- Orange County

Need for Termination Agreements

- The six CUP programs identified for termination have been inactive for a variety of reasons, including lack of local agency support, groundwater contamination concerns, or leadership changes.
- Metropolitan and the six CUP program participants have mutually agreed to early termination.
- The original agreements do not include Metropolitan's standard termination language, which allows either party to terminate early upon written notice. Therefore, a new termination agreement is needed.

Terms of Termination

Metropolitan and the six participating CUP programs will enter into individual mutual agreements.



Termination of the six agreements will be effective June 30, 2025.

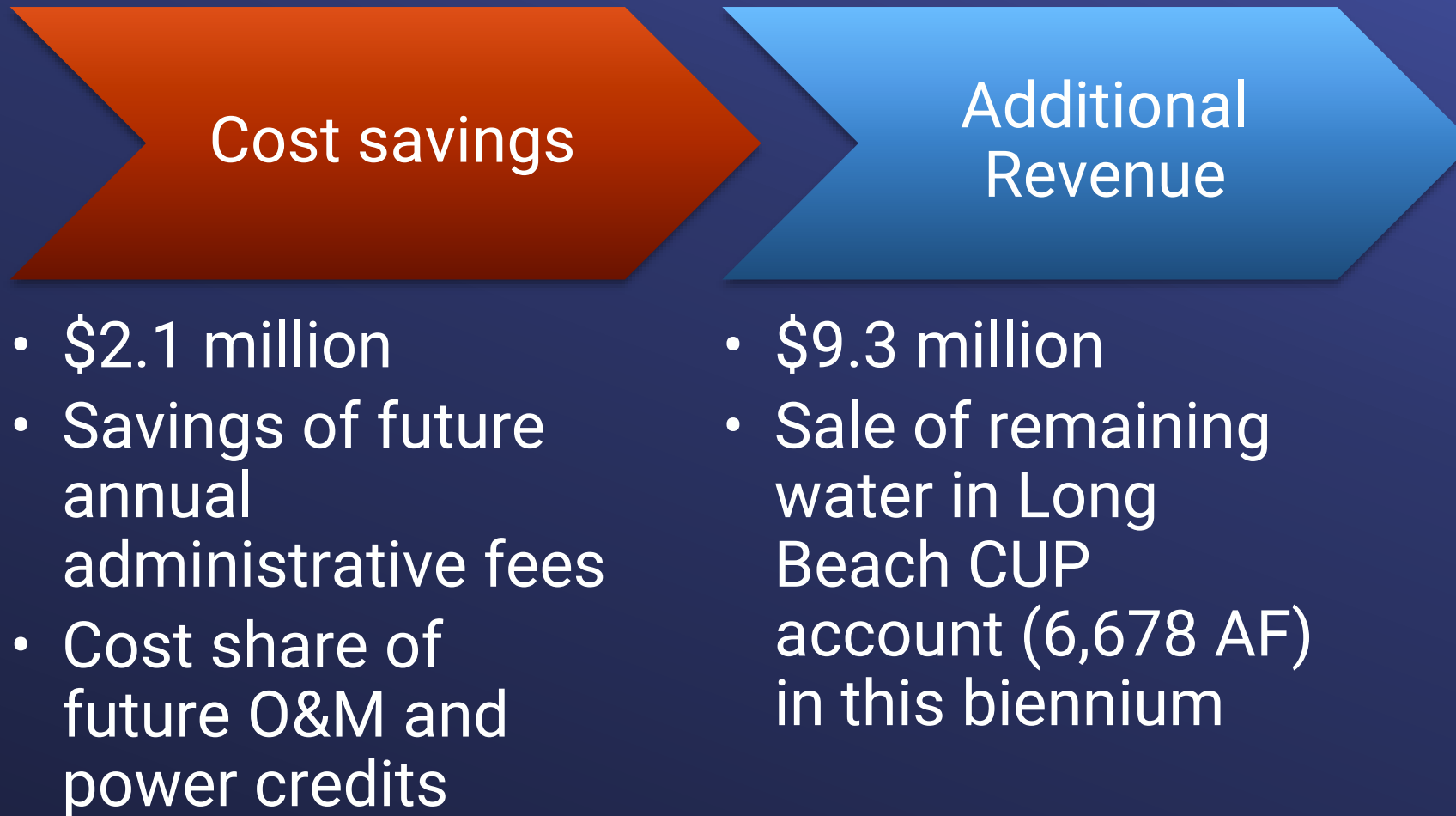


The member agencies would not be required to pay back any funds received from Metropolitan during the term of the agreement.



If water is remaining in the CUP account, a lump-sum sale of the amount remaining in the account would occur on June 30, 2025, plus a share of the projected cost to extract the stored water.

Benefits of Termination to Metropolitan in this Biennium



Options

- Option 1 - Authorize the General Manager to terminate the following Conjunctive Use Program agreements.
 - Compton
 - Foothill Area
 - Live Oak
 - Long Beach Phase 1
 - Long Beach Phase 2 (Lakewood)
 - Orange County
- Option 2 - Do not authorize the General Manager to terminate the CUP agreements, which would allow the CUP agreements to terminate on their current schedule.

Staff Recommendation

- Option 1

