



● **Board of Directors**
One Water and Stewardship Committee

3/14/2023 Board Meeting

7-8

Subject

Authorize the General Manager to enter into an agreement with Western Municipal Water District, Rubidoux Community Services District, West Valley Water District, and San Bernardino Valley Municipal Water District to provide Rubidoux Community Services District assistance with water deliveries: the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This letter seeks authorization for an agreement with Western Municipal Water District (Western), Rubidoux Community Services District (Rubidoux), West Valley Water District (West Valley), and San Bernardino Valley Municipal Water District (Valley District) (the “Parties”) to assist Rubidoux with water deliveries. Under the proposed agreement, Metropolitan would provide up to 2,000 acre-feet of water per year (AFY) to Rubidoux through Valley District’s connection on the San Gabriel Valley Devil Canyon – Azusa Pipeline (Azusa Pipeline), provided there is available capacity. Water delivered under this agreement would only be used by Rubidoux within Western’s service area.

Details

Background

Rubidoux is a retail water agency within the service area of Western that serves approximately 40,000 customers and the city of Rubidoux qualifies as a disadvantaged community (DAC). As part of Western’s service area, property owners in Rubidoux pay ad valorem property taxes and standby charges to Metropolitan every year. Currently, Rubidoux relies fully on local groundwater and has no connection to imported supplies. Rubidoux’s groundwater has high ambient total dissolved solids (TDS) levels, and after customer use, Rubidoux’s wastewater exceeds the city of Riverside’s National Pollutant Discharge Elimination System permit limits for TDS for effluent that is discharged to the Santa Ana River. As a result, Rubidoux requested delivery of Metropolitan’s imported supplies to blend with their local groundwater prior to use for municipal and industrial purposes. The proposed agreement would provide Rubidoux access to imported supplies which they have been supporting through Metropolitan’s property tax and standby charges.

Metropolitan has capacity rights in the Azusa Pipeline as part of an existing exchange agreement with San Gabriel Valley Municipal Water District (San Gabriel Valley). San Gabriel Valley owns and operates the Azusa Pipeline, which delivers its State Water Project (SWP) supplies from the Devil Canyon turnout on the East Branch of the SWP. Valley District has an existing connection at Lytle Creek Station on the Azusa Pipeline. West Valley can accept Metropolitan’s SWP supplies through Valley District’s connection. Rubidoux’s service area is located immediately south of West Valley. West Valley has treatment facilities and infrastructure in place to deliver treated water to Rubidoux. Western does not currently have the infrastructure in place to deliver Metropolitan’s imported water to Rubidoux.

In April 2022, the Parties requested a similar agreement for Metropolitan to provide up to 2,000 AFY to Rubidoux to blend with their groundwater supplies for consumption and ensure compliance with water quality standards identified in permits related to discharges to the Santa Ana River. The Santa Ana River is an important groundwater basin recharge facility for downstream agencies in Orange County. Staff recommended that the Board authorize the General Manager to enter into a long-term agreement with the Parties to provide Rubidoux

assistance with water deliveries. However, the Board authorized only a one-year agreement and requested that staff return and report after assessing alternatives for Rubidoux. Metropolitan staff and the Parties assessed alternatives, including desalination and a connection to Western's distribution system. However, the estimated costs far exceed the cost of purchasing water from Metropolitan and would have placed an excessive burden on an already underserved community.

Subsequent to the Board's action, Rubidoux did not construct the required interconnection to accept water deliveries from West Valley due to the uncertainty of long-term supplies with a one-year agreement. Therefore, the Parties did not enter into a one-year agreement and respectfully request board reconsideration of a long-term agreement.

Proposed Agreement

The Parties are requesting a long-term agreement to provide up to 2,000 AFY to Rubidoux. Metropolitan would provide the requested water to Rubidoux through unused capacity in the Azusa Pipeline. Valley District would deliver Metropolitan's imported supplies on behalf of Metropolitan to West Valley off of Valley District's Lytle Creek connection on the Azusa Pipeline. West Valley would treat and deliver the requested water to Rubidoux. Western would pay Metropolitan's full-service rate in effect at the time of the delivery to Rubidoux, and Rubidoux would reimburse Western. The delivery would be subject to the capacity charge, readiness-to-serve charge, and all volumetric water rates. Metropolitan staff evaluated the capacity of the Azusa Pipeline and determined that the needs of both West Valley and Rubidoux can be met.

Staff recommends that the Board authorize the General Manager to enter into an agreement with the Parties consistent with the terms outlined in **Attachment 1**. These terms also address questions that were raised by the Board when this item was first considered in April 2022. Specifically, the terms include acknowledgment that deliveries are not guaranteed and face reduction requirements in times of drought. General terms include:

1. Agreement termination of November 4, 2035.
2. Maximum delivery amount is 2,000 AF per calendar year.
3. Metropolitan water deliveries under this Agreement will be used solely within Western's service area.
4. Deliveries are not guaranteed and are limited to Metropolitan's unused capacity in the Azusa Pipeline.
5. When the Department of Water Resources is administering SWP allocations pursuant to Article 18a of the Water Supply Contracts, or during a time when Metropolitan's Board of Directors has declared that a regional shortage is in effect, the same guidelines, procedures, and limitations that Metropolitan applies to its Member Agencies will apply to deliveries made pursuant to this Agreement.

Although it is not a component of this proposed agreement, there is an additional benefit that a new interconnection between West Valley and Rubidoux would provide to Metropolitan's service area. Western owns 6,000 AF of low-TDS groundwater supplies within the boundaries of Valley District. If the interconnection between West Valley and Rubidoux is constructed, Western would be able to deliver 6,000 AF of additional supplies to Rubidoux within Metropolitan's service area.

Policy

Metropolitan Water District Administrative Code, Division IV, Section 4209: Contracts

Metropolitan Water District Administrative Code, Division IV, Section 4401-4403: Rates; Readiness-to-Serve Charge; Capacity Charge

Metropolitan Water District Administrative Code, Division XI, Section 11104: Delegation of Responsibilities

By Minute Item 30524, dated September 17, 1974, the Board authorized a cooperative water exchange agreement to eliminate the overdraft condition in the western portion of the Main San Gabriel Basin; as part of this agreement, Metropolitan is granted conveyance rights to the unused capacity in San Gabriel Valley Municipal Water District's Devil Canyon-Azusa pipeline.

By Minute Item 52783, dated April 12, 2022, the Board authorized the General Manager to enter into a one-year agreement with Western Municipal Water District, Rubidoux Community Services District, West Valley Water District, and San Bernardino Valley Municipal Water District to provide Rubidoux assistance with water deliveries, subject to a possible extension if approved by the Board following a review by the General Manager on alternative means of addressing Rubidoux's needs, as amended at Committee and set forth in Agenda Item 7-10 board letter.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378) because the proposed action will not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not defined as a project under CEQA because it involves the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). The delivery of water is exempt from CEQA as it consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use (Section 15301 of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize the General Manager to enter into an agreement with Western Municipal Water District, Rubidoux Community Services District, West Valley Water District, and San Bernardino Valley Municipal Water District to provide Rubidoux Community Services District assistance with water deliveries.

Fiscal Impact: None. Metropolitan would receive revenue from the full-service sale of water that is delivered water under this agreement.

Business Analysis: Provides water supply reliability to an area of Metropolitan's service area that does not currently receive Metropolitan water supplies.

Option #2

Do not authorize the General Manager to enter into an agreement with Western Municipal Water District, Rubidoux Community Services District, West Valley Water District, and San Bernardino Valley Municipal Water District to provide Rubidoux assistance with water deliveries.

Fiscal Impact: None.

Business Analysis: Would not provide water supply reliability to an area of Metropolitan's service area that does not currently receive Metropolitan water supplies.

Staff Recommendation

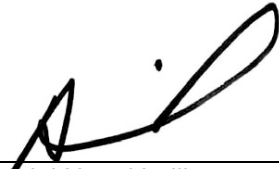
Option #1



Brad Coffey
Manager, Water Resource Management

2/24/2023

Date



Adel Hagekhalil
General Manager

2/27/2023

Date

Attachment 1 – Term Sheet for the Agreement to Provide the Rubidoux Community Services District Assistance with Water Deliveries

Ref# wrm12694179

**Term Sheet for the Agreement to Provide the Rubidoux Community Services District
Assistance with Water Deliveries**

Agreement Overview

- Parties: The Rubidoux Community Services District (Rubidoux), West Valley Water District (West Valley), Western Municipal Water District (Western), San Bernardino Valley Municipal Water District (Valley District), and The Metropolitan Water District of Southern California (Metropolitan)
- Effective Date: Upon agreement execution
- Termination Date: November 4, 2035, provided that any party may cancel with 30 days written notice
- Maximum Delivery Amount: 2,000 AF per calendar year

Key Terms

- Metropolitan water deliveries under this Agreement will be used within Western's service area.
- Rubidoux may request water deliveries at any time and will coordinate with Western on monthly water requests.
- Western will request delivery of water from Metropolitan on behalf of Rubidoux.
- Metropolitan will request Valley District to deliver Metropolitan supplies equal to Rubidoux's requested amount to West Valley at Valley District's connection (Lytle Creek, Station, 1747+00) on the San Gabriel Valley Devil Canyon – Azusa Pipeline.
- West Valley will treat and deliver Rubidoux's requested amount to Rubidoux for use only by Rubidoux within Metropolitan's service area.
- Western will pay Metropolitan's full-service untreated rate in effect at the time of delivery. The delivery is subject to the capacity charge, readiness-to-serve charge, and all volumetric water rates in the same manner as deliveries made to Western through Metropolitan's distribution system and connections.
- Rubidoux will reimburse Western for all payments made by Western to Metropolitan under this agreement.
- Valley District or West Valley shall have no responsibility for the cost of water delivered to Valley District's connection for use within Western's service area by Rubidoux.
- Metropolitan will be responsible for any Department of Water Resources charges for the State Water Project supplies delivered to Rubidoux through Valley District's connection.
- The delivery of water by Metropolitan is not guaranteed and is limited to the unused capacity in the San Gabriel Valley Devil Canyon-Azusa Pipeline.
- During a time when the Department of Water Resources is administering SWP allocations pursuant to Article 18a of the Water Supply Contracts, or during a time when Metropolitan's Board of Directors has declared that a regional shortage is in effect, the same guidelines, procedures, and limitations that Metropolitan applies to its Member Agencies will apply to deliveries made pursuant to this Agreement.