



One Water & Stewardship Committee

Authorize exchange agreement with
Inland Empire Utilities Agency to
assist in the implementation of the
Chino Basin Program

Item 7-6

October 7, 2024

Item 7-6 Chino Basin Program

Subject

Review and consider the Lead Agency's certified 2022 Final Environmental Impact Report for the Chino Basin Program and take related CEQA actions, and authorize the General Manager to enter into an exchange agreement with Inland Empire Utilities Agency to assist in the implementation of the program

Purpose

Metropolitan has been collaborating with IEUA on the Chino Basin Program in a role of facilitating State Water Contract partner

Recommendation

Authorize the General Manager to enter into an exchange agreement with Inland Empire Utilities Agency

Fiscal and Budget Impact

No fiscal impact. Participation in the program will improve regional reliability and provide access to additional emergency supplies for Metropolitan's service area

Chino Basin Program (CBP) Overview

California Department of Fish and Wildlife indicated pulse flows would only occur in below normal and dry years

IEUA's pulse flow obligation to State is 375 TAF (less credits for carriage water)

Lake Oroville



Fish and habitat benefit

Pulse Flow to Delta

Metropolitan to transfer portion of Table A supplies to Department of Water Resources (max 40 TAF in one year) for pulse flows

IEUA to repay Metropolitan through in-lieu production (30 TAF) and direct pump-in (10 TAF) to Rialto Pipeline

Chino Basin Program



Local supply benefit once State obligation fulfilled

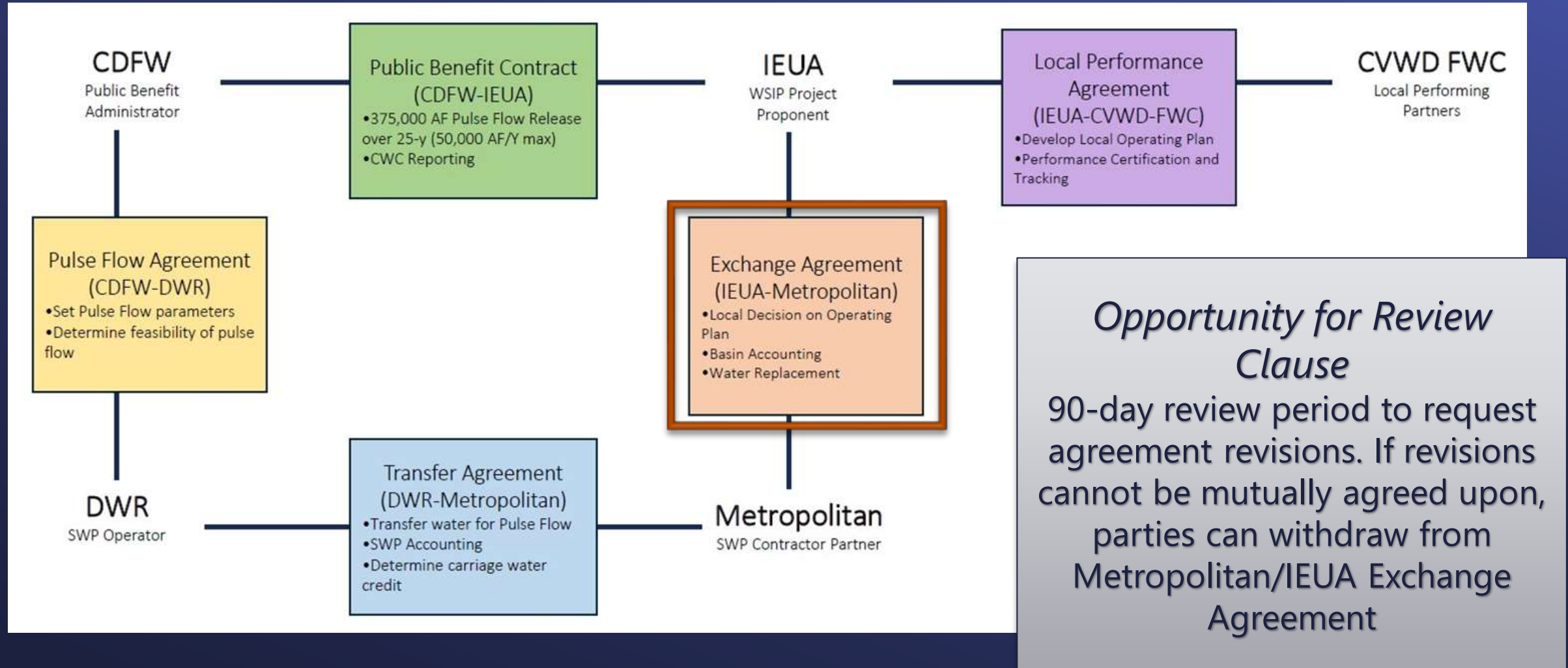


Emergency use benefit (50 TAF) system flexibility

Metropolitan service area



Agreements Needed for Program Execution



Metropolitan/ IEUA Exchange Agreement Terms – Planning, Design, and Construction

- Agreement does not commit Metropolitan to participate in funding or operation of CBP Facilities
 - Metropolitan will operate, maintain, administer Rialto pipeline service connection for pump-in operations
- Metropolitan will not have any ownership of CBP Facilities
- IEUA will have primary CEQA responsibility for the program and necessary facilities

Exchange Agreement Terms – Operation and Performance

Operating Committee

- Jointly formed with staff from both parties
- Will develop Annual Operating Plan to evaluate feasibility of pulse flow exchange each year, timing of payback, availability of Metropolitan supplies, etc

Local Performance

- IEUA repayment to Metropolitan completed by end of calendar year that follows pulse flow call year
- IEUA Take or Pay contract to pay supply rate for 30 TAF

Emergency Use

- Provides up to 50 TAF (40 TAF in one year) for emergency use situations
- Metropolitan should be able to initiate provision, provided enough supplies in storage

Pump-in Water Quality

- Consistent with Metropolitan's Policy for Acceptance of New Water into Conveyance Facilities (2001)
- Metropolitan must approve water quality and pump-in proposal prior to any operations

Metropolitan/ IEUA Exchange Agreement Terms – Failure to Perform

- Failure to perform agreed upon exchange is referred to as “non-performance”
- Metropolitan’s non-performance refers to the inability or unwillingness to transfer its Table A supplies to the State
 - Metropolitan is responsible for any State financial or water remuneration incurred by IEUA for Metropolitan non-performance
- IEUA’s non-performance refers to inability to execute the agreed upon pump-in or in-lieu amount

Metropolitan/ IEUA Exchange Agreement Terms – Failure to Perform

- IEUA to return non-performance water as soon as possible but no later than 12-months from notice of non-performance
- Three options to return non-performance water:
 - 1) Buy the water outright from Metropolitan (cyclic storage or similar)
 - 2) Deliver water purchased on open market to Metropolitan through Rialto Pipeline
 - 3) Implement an operating committee-approved alternative
- If repayment of non-performance extends beyond 12-months after notice, IEUA will purchase 1.5 times remaining non-performance water quantity as cyclic storage water

Next Steps

- Staff will continue working with IEUA on other necessary agreements
- Continue to support program development
 - Staff participating in CBP preliminary design report efforts beginning at the end of October
- Design and construction for CBP facilities are expected to begin in 2025 and 2027, respectively
- Program expected operational by 2032

Board Options

- Option #1
 - Review and consider the Lead Agency's certified 2022 Final Environmental Impact Report for the Chino Basin Program and take related CEQA actions, and authorize the General Manager to enter into an exchange agreement with Inland Empire Utilities Agency to assist in the implementation of the program
- Option #2
 - Do not authorize the General Manager to enter into an exchange agreement with Inland Empire Utilities Agency to assist in the implementation of the Chino Basin Program

Staff Recommendation

- Option #1

