



Water Planning and Stewardship Committee

Negotiate an agreement consistent with the draft terms of the Metropolitan Water District/Inland Empire Utilities Agency Exchange Agreement

Item 7-11

April 12, 2022

Previous Board Briefings



June 2021

- Staff presented an update on Prop 1 WSIP projects and an overview of the Chino Basin Program
 - Metropolitan provided a letter of intent

March 2022

- Staff presented an update on the Chino Basin Program and pending terms of agreement with IEUA

Categories of the Metropolitan/ IEUA Exchange Agreement Draft Terms



Exchange Quantities

Specify exchange quantities, breakdown of how groundwater will be delivered (in-lieu, pump in)



Operations

Limitation on call years, CBP Operating Committee to coordinate IEUA/MWD activities



Cost

Details take or pay contract commitment, no MWD financial obligation for investment currently



Additional Benefits

Provides system flexibility within MWD service area;
Emergency use provision

Key Terms - Exchange Quantities



- IEUA will facilitate the production and storage of advanced treated recycled water supply in the Chino Groundwater Basin
- IEUA to deliver stored groundwater into Metropolitan service area during call years
 - Combination of in-lieu means and direct pumping into Metropolitan's Rialto pipeline

Key Terms - Operations



- Exchange shall not negatively impact water supply or system operations of SWP, Metropolitan, or its member agencies
- MWD has ability to decline any annual call when:
 - Exchange water from IEUA is unavailable
 - Internal operations limit the ability to receive exchange supplies from IEUA
 - Exchange will negatively impact MWD or member agencies
- CBP Operating Committee will be established to coordinate IEUA and MWD activities

Key Terms - Cost



- Metropolitan has no obligation to invest in facilities required for exchange
- IEUA will enter a take or pay contract with Metropolitan
 - Commits to pay the supply rate for the potential in-lieu delivery from CBP
 - Establishes a baseline for in-lieu performance
- Any increase in SWP costs resulting from the CBP changes will be resolved between IEUA and DWR by separate agreement and are not a responsibility of Metropolitan

Key Terms - Additional Benefits



- Metropolitan can borrow up to 40 TAF of stored water
 - Intended to provide flexibility to Metropolitan; IEUA will be made whole for direct costs from borrowing
- Predelivery of water against future performance requirements
 - Will be allowed by mutual agreement

Next Steps

- IEUA to continue working with Metropolitan and other parties to develop full set of agreements needed for CBP
 - Staff will return for Board approval of all agreements Metropolitan is party to, including approval of final MWD/IEUA Exchange Agreement Terms
- CWC expected to award final WSIP funding for CBP in Fall 2023

Board Actions

Option 1

- Authorize the General Manager to negotiate an agreement consistent with the draft terms of the Metropolitan Water District/Inland Empire Utilities Agency Exchange Agreement

Option 2

- Do not authorize the General Manager to negotiate an agreement consistent with MWD/IEUA Exchange Agreement draft terms

Staff Recommendation

Option I

