



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

4/9/2024 Board Meeting

8-3

Subject

Review and consider Eastern Municipal Water District's five approved Initial Studies/Mitigated Negative Declarations and two Addenda, and take related CEQA actions; authorize the General Manager to enter into a Local Resources Program Agreement with Eastern Municipal Water District for the Perris North Basin Groundwater Contamination Prevention and Remediation Program for up to 3,466 acre-feet per year of treated groundwater for potable purposes in the Eastern Municipal Water District service area

Executive Summary

This letter requests authorization for Metropolitan to enter into a Local Resources Program (LRP) Agreement with Eastern Municipal Water District (Eastern) for the Perris North Basin Groundwater Contamination Prevention and Remediation Program Project (Project). The Project would provide up to 3,466 acre-feet per year (AFY) of treated groundwater for potable purposes to customers within Eastern's service area. The Project is consistent and compliant with the Local Resources Program goals and policies and would help Metropolitan to increase regional water supply reliability, reduce future demands on Metropolitan for imported water supplies, decrease the burden on Metropolitan's infrastructure and achieve its long-standing Integrated Water Resources Plan (IRP) goals for local resources development. In addition, the Project helps Metropolitan comply with a legislative direction under Senate Bill 60 (SB 60) to expand water conservation, recycling, and groundwater storage and replenishment.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Review and consider Eastern Municipal Water District's five approved Initial Studies/Mitigated Negative Declarations and two Addenda, and take related CEQA actions, and authorize the General Manager to enter into a Local Resources Program Agreement with Eastern Municipal Water District for the Perris North Basin Groundwater Contamination Prevention and Remediation Program for up to 3,466 AFY of treated groundwater for potable purposes in the Eastern Municipal Water District service area.

Fiscal Impact: Metropolitan's maximum financial obligation would be up to \$26,428,250 for a project yield of 3,466 AFY over 25 years. Staff factors these incentive payments into Metropolitan's rate projections and includes them in future budgets.

Business Analysis: The Project would help Metropolitan to achieve its current IRP goals and meet its legislative mandates, while reducing the district's system costs.

Option #2

Do not authorize the execution of an agreement for the Project.

Fiscal Impact: None

Business Analysis: Metropolitan would pursue other projects, and it may take longer to meet current IRP goals.

Applicable Policy

By Minute Item 49923, dated October 14, 2014, the Board approved refinements to the Local Resources Program to encourage additional local resource production.

By Minute Item 51356, dated October 9, 2018, the Board approved an interim Local Resources Program target yield of 170,000 AFY of new water production.

Related Board Action(s)/Future Action(s)

Not applicable.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

Acting as the Lead Agency, Eastern Municipal Water District, prepared and adopted five Mitigated Negative Declarations and two Addenda for the proposed Project, described in Attachment 1. The CEQA environmental documentation includes:

- Moreno Valley Groundwater Development Program Initial Study/Mitigated Negative Declaration and Addendum No. 1, adopted on July 2, 2014, and August 2019, respectively. (See Attachment 2).
- Cactus Avenue Corridor Groundwater Wells Project Final Initial Study/Mitigated Negative Declaration, Addendum No. 1, and Subsequent Final Initial Study/Mitigated Negative Declaration, adopted on May 27, 2020, February 22, 2021, and March 15, 2023, respectively. (See Attachment 3).
- Perris North Groundwater Monitoring Project Revised Final Initial Study/Mitigated Negative Declaration and Final Subsequent initial Study/Mitigated Negative Declaration, adopted on January 2022 and April 19, 2023, respectively. (See Attachment 4).

The five Mitigated Negative Declarations concluded that, with the incorporation of certain mitigation measures, all potential impacts associated with the project were less than significant. The two Addenda to the Mitigated Negative Declarations were completed to document the proposed minor modifications to the approved Project as detailed in this board letter. The Lead Agency determined that preparation of the addenda was appropriate here because none of the conditions described in Section 15162 of the State CEQA Guidelines had occurred. In particular, the minor modifications proposed to the Project would not result in any new significant effects or any substantial increase in the severity of any significant effects identified in the Mitigated Negative Declarations prepared for this project. (State CEQA Guidelines Section 15164.)

CEQA determination for Option #2:

None required

Details and Background

Background

Metropolitan created the LRP to provide financial incentives to local projects, such as water recycling, groundwater recovery, and seawater desalination, developed by local and member agencies. Since the inception of the LRP in 1982, Metropolitan has provided financial assistance for the production of over 4.3 million acre-feet of recycled water and recovered groundwater. These programs help Metropolitan meet its legislative mandates under SB 60 to expand water conservation, recycling, and groundwater storage and replenishment measures. Benefits include helping increase water supply reliability, reducing imported water demands, decreasing the burden on Metropolitan's infrastructure, reducing system costs, and freeing up conveyance capacity. In fiscal year 2022/23, Metropolitan incentivized member agencies to produce about 96,000 acre-feet (AF) of local supply. In October 2018, the Board approved an interim LRP target of 170,000 AFY to develop additional contractual yield.

Proposed Project

To increase local supply development, staff recommends that the Board authorize the General Manager to enter into an LRP agreement with Eastern to provide financial incentives for the Project. The Project will include raw conveyance pipelines, a centralized treatment facility, the equipping of existing testing and extraction wells, new monitoring wells, and the construction of ancillary facilities to treat groundwater contamination and deliver up to 3,466 AFY of groundwater in the Perris North Subbasin of the San Jacinto Groundwater Basin for potable use in Eastern's service area. The Project will protect groundwater resources and prevent the further migration of contamination to adjacent and down-gradient potable water aquifers. Eastern will own and operate the Project, and plans to deliver water by end of 2025.

The Project, described in **Attachment 1**, complies with the LRP criteria adopted by the Board on October 13, 2014. Key terms of the proposed agreement, subject to approval in form by the General Counsel, include the following:

1. The agreement term is 25 years for a contract yield of 3,466 AFY.
2. Pay for performance – LRP financial incentives are only for treated groundwater delivered by the Project for beneficial use.
3. Fixed incentive of up to \$305/AF over 25 years.
4. Termination for nonperformance if construction does not commence within two years of agreement execution or if recovered groundwater deliveries are not realized within four years of agreement execution.
5. Reduction in Metropolitan's contract commitment if the Project falls short of production targets measured in four-year intervals throughout the agreement term.

Project Milestone

After an LRP agreement is executed, the Project is required to start construction, begin operation, and meet performance targets as outlined in the terms listed above. The operation deadline may be extended up to three additional fiscal years with Board approval.

Staff Assessment and Recommendation

After thorough review of the project and supporting documents, staff finds that the Project is consistent and compliant with the goals and objectives of the LRP. Staff recommends approving and entering into an LRP agreement with EMWD.



Blandon J. Goshi
Interim Manager,
Water Resource Management

4/2/2024

Date

Adel Hagekhalil
General Manager

4/3/2024

Date

Attachment 1 – Perris North Basin Groundwater Contamination Prevention and Remediation Program - Project Description

Attachment 2 – Moreno Valley Groundwater Development Program Environmental Documentation

Attachment 3 – Cactus Avenue Corridor Groundwater Wells Project Environmental Documentation

Attachment 4 – Perris North Groundwater Monitoring Project Environmental Documentation

Ref# wrm12692761

PERRIS NORTH BASIN GROUNDWATER CONTAMINATION PREVENTION AND REMEDATION PROJECT

Project Description

Overview

The Perris North Basin Groundwater Contamination Prevention and Remediation Project (Project) will complete various facilities that will treat and convey contaminated groundwater in the Perris North Subbasin of the San Jacinto Groundwater Basin and prevent the spread of contamination in the local groundwater within the City of Moreno Valley, Riverside County. All existing and proposed facilities will be solely owned and operated by the Eastern Municipal Water District (Eastern). The Project will provide up to 3,466 acre-feet per year of potable water. The Project consists of the addition of the following infrastructure: raw conveyance pipelines, a centralized treatment facility, testing and extraction wells, monitoring wells, and ancillary facilities to treat and deliver the groundwater for potable use within the City of Moreno Valley and surrounding areas. The Project protects groundwater resources and prevents the further migration of contamination to adjacent and down-gradient potable water aquifers.

Existing Facilities

Eastern currently operates the Meniffee Desalter, the Perris I Desalter, and the Perris II Desalter with a combined plant capacity of approximately 14 MGD of potable water supply. These three existing desalters are independent from the Project and are not part of this Agreement.

Eastern has constructed approximately 19,520 linear feet (LF) of raw water conveyance pipeline that is not part of this Agreement. This consists of 1,220 LF along Sweet Grass Drive and Flamingo Arrow Drive (Phase I pipeline) and about 18,300 LF primarily along Kitching Street (Phase II pipeline). These pipelines will connect wells in the Project to the proposed centralized treatment facility.

Figure 1 below illustrates the existing and proposed facilities.

Proposed Project Components

Well Equipping

Six production wells – Wells 65, 66, 206, 207, 208, and 209 - have been designed and constructed but not equipped. The Project will equip these six remote extraction wells and water will be conveyed to the centralized treatment facility.

- Wells 65 and 66 are remote wells located north of the treatment facility. Water extracted from these wells will require treatment to address unanticipated constituents of concern, namely iron and manganese.
- Wells 206 and 207 are co-located at the Centralized Treatment Facility.
- Well 208 and 209 are remote wells located south of the treatment facility.
 - Well 208 is located adjacent to the City of Moreno Valley's corporate yard.
 - Well 209 is located within Victoriano Park.

Eastern is proposing to equip each of the six wells with a proposed vertical turbine pump sized to accommodate the head loss anticipated at the sites. Greensand filters have been designed and are proposed to be procured and installed at the Centralized Treatment Facility.

Groundwater Treatment Facility

A centralized treatment facility is proposed to be consolidated on Perris Boulevard between Cottonwood Avenue and Bay Avenue. This site includes two existing co-located wells, Wells 206 and 207. The treatment facility will be designed for a flow of 2,400 gpm and will include granular activated carbon, regenerable ion exchange, and greensand filtration. Additional proposed facilities include pre-filtration systems, disinfection, backwash storage tanks, brine waste tanks, above-ground product water tanks, a well blow-off pond, a booster pump station, and related appurtenant facilities. The site includes the co-located turnout 2 from the Cactus II Feeder.

Raw Water Conveyance Pipeline

Eastern is proposing to install an additional 12,400 LF of 18-inch diameter raw water conveyance pipeline primarily along Perris Boulevard (Phase III pipeline). This proposed pipeline will connect Wells 65 and 66 to the Centralized Treatment Plant.

Monitoring Wells

The Project proposed to construct up to sixteen four-well clusters for monitoring purposes.

Source of Water

Source water for the Project will be various groundwater contamination areas within the Perris north Subbasin within the San Jacinto Groundwater Basin, located within southwestern Riverside County in the Eastern service area. Over the last several decades, numerous wells have been shut down due to contaminants in the groundwater. Contamination in the Perris North Subbasin is a non-point source pollution associated with various land uses, including commercial, industrial, and agricultural activities. Most of the groundwater contamination plumes in this subbasin are co-mingled plumes. Potential chemicals of concern include volatile organic compounds, perchlorate, nitrate, fluoride, manganese, and perchloroethylene.

End Users

The Project will deliver treated groundwater directly to Eastern's distribution and transmission system (Cactus II Feeder) for potable use in the City of Moreno Valley, supplying up to 7,000 homes.

Points of Connection

Project facilities begin at the well connections to the groundwater subbasin and terminate at the point of connection to the existing distribution system, sewer collection system, and brine discharge pipelines.

Figure 1

