



- Board of Directors
Water Planning and Stewardship Committee

7/13/2021 Board Meeting

7-7

Subject

Authorize agreement with Inland Empire Utilities Agency, West Valley Water District, and San Bernardino Valley Water District to provide assistance on water deliveries; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This letter authorizes an agreement with Inland Empire Utilities Agency (IEUA), West Valley Water District (West Valley), and San Bernardino Valley Water District (Valley District) (the “Parties”) to assist with water deliveries. Under the proposed agreement, Metropolitan would deliver, provided there is available capacity, up to 1,500 acre-feet of water per year (AFY) for West Valley’s customers in an area overlapping IEUA’s service area in the event of an emergency or planned outage, or the loss of local supply. Metropolitan would deliver the requested water to West Valley through Valley District’s connection on the San Gabriel Valley Devil Canyon – Azusa Pipeline (Azusa Pipeline).

Details

Background

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 SWP supplies through Valley District’s connection.

In 2018, Metropolitan entered into a temporary agreement with the Parties to provide up to 800 AFY during 2018 through 2020 to West Valley’s customers in the eastern part of the City of Fontana that overlaps IEUA’s service area. The Parties requested assistance due to a West Valley groundwater well that was temporarily out of service for maintenance. IEUA’s infrastructure does not cover West Valley customers, and West Valley does not have an alternate source of supply to deliver to its customers in the overlapping area. Under the temporary agreement, Metropolitan delivered water to West Valley through Valley District’s connection on the Azusa Pipeline. The total amount of water delivered under this temporary agreement was 1,474 AF. The groundwater well returned to service in 2019, and the temporary agreement expired on December 31, 2020.

Proposed Agreement

The Parties are requesting a long-term agreement, similar to the 2018 temporary agreement, to provide up to 1,500 AFY to West Valley in the event of an emergency or planned outage, or the loss of local supply. Metropolitan would deliver the requested water to Valley District through Valley District’s connection on the Azusa Pipeline, to the extent that there is capacity in the Azusa Pipeline. Valley District would then deliver the water to West Valley for its customers in IEUA’s service area. IEUA would pay Metropolitan’s full-service rate in effect at the time of the delivery of the water. The delivery is subject to the capacity charge, readiness-to-serve charge, and all volumetric water rates.

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**, including:

1. Agreement termination of December 31, 2035.
2. Maximum delivery amount is 1,500 AF per calendar year.
3. Metropolitan water deliveries under this Agreement will be used solely within IEUA's service area.
4. Deliveries are limited to Metropolitan's unused capacity in the Azusa Pipeline.

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.

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).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize the General Manager to enter into an agreement with IEUA, West Valley, and Valley District to provide West Valley assistance with water deliveries in the event of an emergency or planned outage, or the loss of local supply.

Fiscal Impact: None. Metropolitan would receive compensation for any delivered water under this agreement.

Option #2

Do not authorize the General Manager to enter into an agreement with IEUA, West Valley, and Valley District to provide West Valley assistance with water deliveries.

Fiscal Impact: None

Staff Recommendation

Option #1



Brad Coffey
Manager, Water Resource Management

6/28/2021

Date



Jeffrey Kightlinger
General Manager

6/30/2021

Date

Attachment 1 – Term Sheet for the Agreement to Provide West Valley Water District Assistance with Water Deliveries

Ref# wrm12681258

**Term Sheet for the Agreement to Provide West Valley Water District
Assistance with Water Deliveries**

Agreement Overview

- Parties: West Valley Water District (West Valley), Inland Empire Utilities Agency (IEUA), San Bernardino Valley Municipal Water District (Valley District), and The Metropolitan Water District of Southern California (Metropolitan)
- Effective Date: July 13, 2021
- Termination Date: December 31, 2035, provided that any party may cancel with 30 days written notice
- Maximum Delivery Amount: 1,500 AF per calendar year

Key Terms

- Metropolitan water deliveries under this Agreement will be used within IEUA's service area.
- IEUA will request delivery of water from Metropolitan on behalf of West Valley under this agreement.
- West Valley may request water deliveries during outages, emergencies, or when there is a loss of local supply. West Valley will coordinate with IEUA on the monthly amount of water requested from Valley District.
- Metropolitan will deliver requested water to Valley District at Valley District's connection (Lytle Creek, Station, 1747+00) on the San Gabriel Valley Devil Canyon – Azusa Pipeline. Valley District will deliver the water to West Valley.
- 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.
- IEUA 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 IEUA through Metropolitan's distribution system and connections.
- West Valley will reimburse IEUA for all payments made by IEUA to Metropolitan under this agreement and per IEUA Ordinance 104.
- Valley District shall have no responsibility for the cost of water delivered to Valley District's connection for use within IEUA's service area by West Valley.
- Metropolitan will be responsible for any Department of Water Resources charges for the State Water Project supplies delivered to West Valley through Valley District's connection.