



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

JUN 13 1995

Harold E. Delf
EXECUTIVE SECRETARY

8-9

May 30, 1995

To: Board of Directors (Water Planning and Resources Committee--Action)
(Finance and Insurance Committee--Action)

From: General Manager

Subject: Agreement with Calleguas Municipal Water District for Groundwater Storage Program and System Reliability Development and Appropriation No. 712 for \$6 Million to Finance the First Phase of the Program

Recommendations:

It is recommended that your Board: (1) review and consider the Final Environmental Impact Report for the Las Posas Basin Aquifer Storage and Recovery Project; (2) authorize the General Manager to enter into an agreement with the Calleguas Municipal Water District, substantially based upon the principles incorporated into this letter and in a form acceptable to the General Counsel; and (3) Authorize Appropriation No. 712 for \$6 million from the Pay-As-You-Go Fund to finance the first phase of the program.

John R. Wodraska
General Manager

Submitted by:

Debra C Man

Debra C. Man, Chief
Planning and Resources

Concur:

John R. Wodraska

John R. Wodraska
General Manager

Executive Summary:

In October 1994 and May 1995, staff updated your Board on negotiations between the Calleguas Municipal Water District (Calleguas) and Metropolitan for a second point of delivery for treated water and groundwater storage program (Program) in the North Las Posas Groundwater Basin (Basin). The attached May 1995 Board Letter describes the Program in detail. The Program includes facilities for a second point of delivery for treated water to Calleguas and a local groundwater storage program that will provide regional benefits. Negotiations for the Program have been essentially completed, and Calleguas certified the Environmental Impact Report (EIR) for the Program at its April 26, 1995 Board meeting. The Final EIR for the Program was prepared pursuant to the California Environmental Quality Act (CEQA), with Calleguas as the Lead Agency and Metropolitan as a Responsible Agency. The EIR is available for your review in the Executive Secretary's office. As a Responsible Agency, your Board is required to review and consider the Final EIR on behalf of Metropolitan. The Program will be constructed in three phases. The first phase will include five wells and appurtenant facilities and will cost \$6 million. It is requested that your Board authorize Appropriation No. 712 for \$6 million from the Pay-As-You-Go Fund to finance the first phase of the Program.

Detailed Report:

In October 1994 and May 1995, staff updated your Board on negotiations between the Calleguas Municipal Water District (Calleguas) and Metropolitan for a second point of delivery for treated water and groundwater storage program (Program) in the North Las Posas Groundwater Basin (Basin). The attached Board letter, submitted to your Board in May 1995, describes the Program in detail. The Program includes facilities for a second point of delivery for treated water to Calleguas, which meets Metropolitan's service reliability objective of providing at least two points of delivery for Metropolitan treated water. The Program also includes a contractual local groundwater storage program that will help meet the groundwater storage and production goals of the Integrated Resources Plan. The groundwater storage program was developed within the policies established by your Board for local "Semitropic style" storage programs. Negotiations for the Program have been essentially completed, and Calleguas certified the Environmental Impact Report (EIR) for the Program at its April 26, 1995 Board meeting. The Final EIR for the Program was prepared pursuant to the California Environmental Quality Act (CEQA), with Calleguas as the Lead Agency and Metropolitan as a Responsible Agency. The EIR is available for your review in the Executive Secretary's office. As a Responsible Agency, your Board is required to review and consider the Final EIR on behalf of Metropolitan. The Program will be constructed

in three phases. The first phase will include five wells and appurtenant facilities and will cost \$6 million. It is requested that your Board authorize Appropriation No. 712 for \$6 million from the Pay-As-You-Go Fund to finance the first phase of the Program.

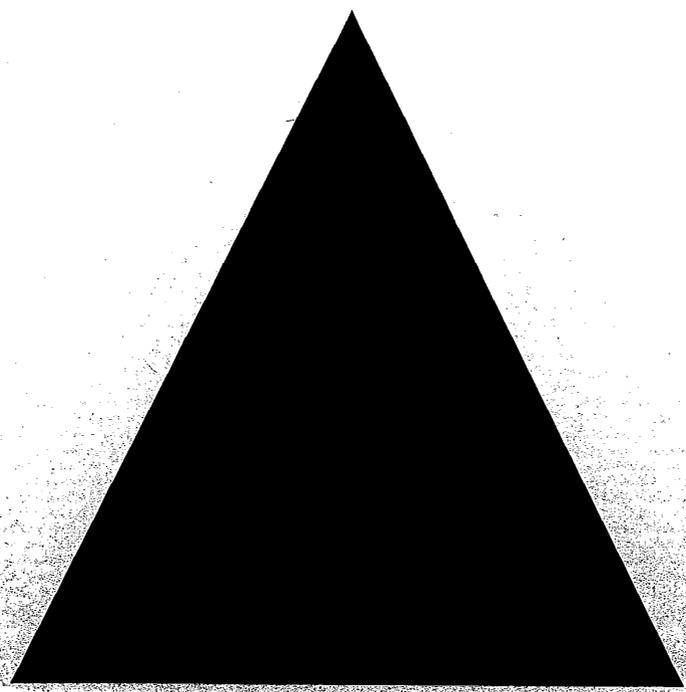
This proposed Program provides for two separate and distinct activities: (1) a second point of delivery for treated water to serve Metropolitan water to Calleguas, and (2) a local groundwater storage program that provides regional benefits. The two activities, and the operation of the related facilities, will be complementary and will increase the operational flexibility and yield of the entire Program. The second point of delivery for treated water meets Metropolitan's service reliability objective to provide at least two points of delivery for treated Metropolitan water to each member agency. The Groundwater Storage Program will increase regional water supply reliability and help meet the groundwater storage goals included in the Integrated Resources Plan.

The total cost to Metropolitan of the second point of delivery will be approximately \$31 million (in 1994 dollars), and the total cost to Metropolitan for the groundwater storage portion of the Program will be approximately \$16 million (in 1994 dollars). At full build-out, the Program will include 30 Aquifer Storage and Recovery (ASR) wells and the appurtenant facilities necessary to connect the wells to Calleguas' distribution system.

After Phase 1 is completed and when operating data verifies that additional phases of the Program can be operated as currently shown by existing engineering and operational studies, the next two phases of the Program will be constructed. Staff will return to your Board for additional funding appropriations as necessary.

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for water management services.

Common Principles

The following principles are common to both portions of the Program:

- Metropolitan will have the right to call water stored under the Program to reduce or eliminate shortages, to fill the Domeigoni Valley Reservoir Project, or other regional storage facilities, or for other operational needs. The water can be called as part of a drought management plan, including shortage allocations
- Calleguas will pay Metropolitan's Firm Water Rate when water stored by Metropolitan is retrieved;
- Calleguas will construct, own, and operate all facilities necessary for this Program;
- Metropolitan will have contractual protection against non-performance; and
- Satisfactory provision for regulatory approvals or alternative security.