



● **Board of Directors**
Water Planning and Resources Committee

December 14, 1999 Board Meeting

11-1

Subject

Approval of Raymond Basin Groundwater Storage Program

Description

Staff from Metropolitan, the Raymond Basin Management Board (RBMB), the City of Pasadena (Pasadena), and the Foothill Municipal Water District (Foothill) have finalized principles of agreement for a groundwater storage program in the Raymond Basin. The Board has been updated on these efforts in letters dated, January 28, 1997 and March 26, 1999. Board action is required to authorize the General Manager to enter into agreements with Pasadena, Foothill, RBMB, and potentially, the City of San Marino (San Marino). The agreements will conform to all state, federal, and local environmental laws.

The Raymond Basin groundwater conjunctive-use program is part of Metropolitan's efforts to implement the Integrated Resources Plan (IRP). The IRP has identified groundwater conjunctive-use storage programs as a cost-effective way to maximize the use of available water supplies. The regional benefit of this storage is estimated to be up to \$300 per acre-foot, which is now used to establish a budget range for developing such programs. The Raymond Basin program will be developed within the \$300 per-acre-foot parameter.

Total storage in the Raymond Basin program will be 75,000 acre-feet. When Metropolitan calls water from the storage account, the participating member agencies would reduce or eliminate their demand on Metropolitan's imported water. Pasadena and Foothill would contractually shift their demands on Metropolitan's surface deliveries to the winter months resulting in a significant reduction in summer imported deliveries. This will increase the reliability for all Metropolitan member agencies during a shortage condition. The total capital costs for the program are estimated at \$20,000,000.

Policy

Existing: Pursuant to Section 5108 of the Administrative Code, no expenditure shall be made unless appropriation has been approved by the Board for the purpose intended.

Board Options/Fiscal Impacts

Option #1

Take no action.

Fiscal Impact: No Cost. Potential for reduced reliability.

Option #2

The Board authorizes the General Manager to enter into agreements with RBMB, Pasadena, Foothill, and San Marino. All agreements will be consistent with the attached Agreement Term Sheet ([Attachment 1](#)) and in compliance with all applicable laws and regulations. These agreements will be contingent upon satisfactory completion of all the necessary environmental documentation. Terms for future agreements on groundwater programs may be different to reflect outcomes of the Strategic Plan.

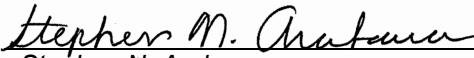
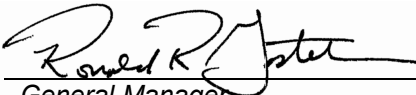
Fiscal Impact: \$20,000,000

Strategic Plan Implications

The decision to fund the Raymond Basin Groundwater Storage Program has implications related to the outcome of the Board's Strategic Plan. The Board has the option to approve this program under the status quo, or the Board could wait for the outcome of the Strategic Plan. This program would result in a higher level of financial commitment from the participating member agencies. Pasadena and Foothill would commit to a minimum purchase of water from Metropolitan in every year equivalent to their entire imported water demand.

Staff Recommendation

Option #2

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|---|-------------------------|
|  Stephen N. Arakawa Acting Manager, Water Resource Management | 11/30/99 <i>Date</i> |
|  Ronald R. Jester General Manager | 11/30/99 <i>Date</i> |

Attachment 1

Attachment 1 - Agreement Term Sheet

Raymond Basin/Metropolitan Conjunctive Use Program

PROJECT: Groundwater storage program (Program), including construction of facilities to store water in, and later to withdraw it from the Raymond Basin (Basin) for conjunctive use by the Metropolitan Water District of Southern California (Metropolitan), the City of Pasadena (Pasadena), the Foothill Municipal Water District (Foothill), the City of San Marino (San Marino), and the Raymond Basin Management Board (RBMB).

CONCEPT: Metropolitan, Foothill and Pasadena will establish their current baseline pumping capacities (Baseline) in the Basin. Foothill and Pasadena will pump at this Baseline for the term of the agreement (Agreement).

Metropolitan, by itself, or through another participating entity, shall fund, design and construct additional facilities so that during normal years, Foothill and Pasadena can operate the Baseline facilities and the new facilities to pump their entire adjudicated rights from the Basin, generally during the peak months. Metropolitan shall pay the incremental operational and maintenance costs of pumping Foothill and Pasadena's adjudicated rights from the Basin above baseline operations during the peak months. Metropolitan shall continue to deliver surface water to Foothill and Pasadena during the off-peak months

Metropolitan shall have the right to store up to 75,000 acre-feet of water in the Basin. At Metropolitan's call, Metropolitan will reduce surface water deliveries to Foothill and Pasadena during the off-peak months, and Foothill and Pasadena shall pump Metropolitan's previously stored water to meet Foothill and Pasadena's demands. The surface water not delivered to Foothill and Pasadena will be available for delivery to other Metropolitan member agencies.

Metropolitan's operating rights for stored water in the Basin shall be equivalent to the rights of any party to the Raymond Basin Judgment (Judgment) for storing water. Metropolitan shall not have any claim to any decreed water rights under the Judgment as a result of this Program.

Metropolitan may store water through: (1) Direct spreading, (2) Direct injection, (3) In-lieu delivers as verified pursuant to an agreed upon methodology (currently the Seasonal Storage Service Program methodology), and/or (4) Transfer of previously stored water.

Losses from Metropolitan's storage account shall be equivalent to losses incurred by other Basin right holders for similar activities.

DOCUMENTATION: Agreement between Metropolitan and the RBMB for the Program.

Operating agreements between Metropolitan and Foothill, and Metropolitan and Pasadena, and potentially the City of San Marino.

Engineering Plans and Specifications: Documents must conform to industry standards, State Health Department Regulations, and CEQA requirements.

Construction contracts: Competitive bid process with Payment and Performance Bonds required.

Easements: Pipeline easements shall have a minimum 15 feet in width. Easements shall be documented and recorded with appropriate agencies.

Permits and approvals: Federal, State, and local permits for construction and operation of well infrastructure must be obtained. Approvals for well operation must be obtained from Health Agencies: DHS, Regional Water Quality Control Board.

POINTS OF DELIVERY: Metropolitan will deliver for injection water of an acceptable quality to the RBMB, through an extension of the East Valley Feeder. Upon 24 hours notice, Metropolitan may deliver Metropolitan stored water from the Basin to Pasadena and Foothill, in lieu of surface water deliveries.

PRICE OF STORED WATER: Pasadena and Foothill shall commit to a minimum purchase of water from Metropolitan in every year equivalent to their entire imported water demand. Pasadena and Foothill shall pay Metropolitan's Full Service Treated Water Rate for water purchased from Metropolitan except for water eligible for season shift credit. Foothill and Pasadena shall receive a \$141 credit for water shifted according to the methods prescribed in the User Handbook for Seasonal Storage Service. Should there be a significant change in Metropolitan's water rate or storage programs, the agreement shall allow for adjustment.

PAYMENT FOR WATER MANAGEMENT SERVICES: Metropolitan shall pay the RBMB for the water management services provided as a result of the Program.

SECURITY: Foothill and Pasadena shall provide Metropolitan with adequate security to ensure performance under the Agreement.

TERMINATION: At the end of term of agreement (25 years) or, following a default which is not cured within the cure period provided by the agreement, by election of the non-defaulting party.

INDEMNIFICATION

Metropolitan, Pasadena, Foothill and the RBMB (the Parties) agree to cooperate in reducing, to the greatest extent practicable, including using financial instruments such as insurance, the risk from claims arising against the Parties from implementation of the agreements.