

- **Board of Directors**
Water Planning, Quality and Resources Committee

May 10, 2005 Board Meeting

REVISED 7-5

Subject

Approve principles for a Pilot Recharge and Recovery Operating Agreement; and authorize development and execution of a Recharge and Recovery Operating Agreement between Metropolitan, Eastern Municipal Water District, and Rancho California Water District

Description

Background

To more effectively utilize facilities that provide treated water in southwest Riverside and San Diego Counties during summer months to meet peak demands on the Skinner Treatment Plant, The Metropolitan Water District of Southern California (Metropolitan), Eastern Municipal Water District (Eastern), and Rancho California Water District (Rancho California) have developed the following principles, [Attachment 1](#), for a Recharge and Recovery Operating Agreement (RROA). The attached RROA principles establish a framework enabling the use of Rancho California's recharge and recovery facilities to reduce demands on Skinner at Metropolitan's request during peak periods. The RROA will remain in place until Module 7 at the Skinner plant becomes fully operational.

Over the past three years, maximum day demands in Metropolitan's Skinner service area have exceeded treatment plant design capacity on a number of occasions. Metropolitan, Eastern, Western Municipal Water District, Rancho California, and the San Diego County Water Authority (San Diego) have coordinated the use of facilities to manage operations during peak periods to ensure that all needs are met. Cooperative efforts include ongoing meetings between Metropolitan and affected Skinner agencies' operators to review daily system demands and develop operational strategies to meet peak demands. The Surface Storage Operating Agreement (SSOA), also developed in response to Skinner's treatment and capacity issues, enables Metropolitan to store water in San Diego's reservoirs for later use during high demand periods. San Diego agencies may withdraw SSOA water as "scheduled water" in accordance with an operating plan developed prior to the summer months, or as "call water" on 24-hour notice by Metropolitan to meet peak demands. The RROA builds on these efforts to address summer peaking by enabling Rancho California to use its recharge and recovery facilities and, at Metropolitan's request, shift its imported water demand from treated to untreated water during peak demand periods.

Rancho California constructed recharge and recovery facilities to enhance its local groundwater supplies. A 48-inch-diameter pipeline allows Rancho California to deliver untreated water delivered at Metropolitan's EM-19 service connection to a series of spreading ponds in the southeastern portion of Rancho California's service area. Untreated water delivered to the spreading ponds replenishes an underlying aquifer, which in turn enhances groundwater production within the Rancho California service area (i.e., as groundwater recharge increases, well pumping capacity also increases).

Historically, Rancho California's summer well production has averaged about 65 cubic feet per second (cfs), and summer deliveries of untreated water into the spreading ponds have averaged about 22 cfs. However, at times Rancho California has been able to increase groundwater production up to 84 cfs by increasing untreated water deliveries up to the spreading pond's maximum recharge capacity of about 40 cfs. As a result, given the availability of water for spreading, Rancho California can increase its groundwater production by approximately 18 cfs above its historic average. To date, limited economic benefits provided by the recharge and recovery facility have prevented Rancho California from increasing its yield above what is currently cost-effective.

Principles

Under the proposed principles, Rancho California would receive an economic incentive if it agrees to use local facilities to enhance groundwater production at Metropolitan's call. Key elements of the principles are as follows:

- Between June 1 and October 30, Metropolitan can call for Rancho California to shift a portion of its demand from treated to untreated water upon 24-hour notice as needed to reduce peak Skinner flows.
- In response to a Metropolitan call, Rancho California would increase untreated water delivery to its spreading ponds to 40 cfs and maximize local groundwater production.
- Untreated deliveries above 22 cfs that are matched by a like amount of increased local groundwater production would be eligible for a payment of ~~\$125~~\$105/acre-foot, which would be credited on Eastern's water invoice upon verification of the RROA operation.
- Untreated deliveries that do not correspond to increased groundwater production would be billed at Metropolitan's applicable Interim Agricultural Water Program, Replenishment Service or Full Service rate.

Benefits

An RROA would help address water management needs and support the coordinated use of facilities in the Skinner area. The financial incentive offered by these principles is consistent with incentives available under the San Diego SSOA. The RROA would provide financial incentives to Eastern and Rancho California and offer greater water reliability to all of the Skinner agencies during the summer months. The RROA also would reduce demands on Metropolitan at the Skinner plant. An 18 cfs flow reduction at Skinner would equate to about 2.3 percent of its 765 cfs design capacity. If these principles are approved by the Metropolitan Board, and Metropolitan is authorized to enter into an agreement with Eastern and Rancho California based on these principles, staff would work with Rancho California and Eastern to develop and execute a final operating agreement prior to June 1, 2005.

Policy

Metropolitan Water District Administrative Code Section 4209 states that Metropolitan "...may join or enter into agreement with member public agencies to make more effective use of water resources, including agreements providing for the wheeling, exchange, or banking of water, so long as such agreements serve a purpose of the District."

California Environmental Quality Act (CEQA)

The proposed action of approving the proposed RROA principles and executing a pilot RROA agreement with Eastern and Rancho is not defined as a project under CEQA because it involves continuing administrative activities (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action to authorize economic incentives as part of the RROA is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). The proposed changes in the operations of Rancho's recharge and recovery facilities that would result from the RROA involves minor modifications to existing public facilities with negligible or no expansion of use and no possibility of significantly impacting the physical environment. Accordingly, the proposed action also qualifies for a Class 1 Categorical Exemptions (Section 15301 of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is exempt from CEQA pursuant to Sections 15301, 125378(b)(2), and 15378(b)(4) of the State CEQA Guidelines.

Board Options/Fiscal Impacts

Option #1

Adopt the CEQA determination and

- a. Approve the proposed RROA principles; and
- b. Authorize staff to develop and execute an RROA between Metropolitan, Eastern, and Rancho California based on proposed RROA principles.

Fiscal Impact: None. Increased untreated sales will offset treated water demands.

Option #2

Do not approve proposed RROA principles or authorize staff to develop and execute an RROA between Metropolitan, Eastern and Rancho California.

Fiscal Impact: None

Staff Recommendation

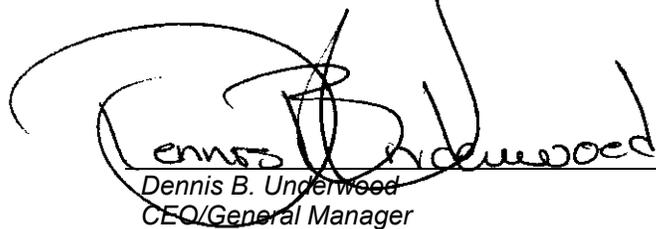
Option #1



Jill T. Wicke
Manager, Water System Operations

5/10/2005

Date



Dennis B. Underwood
CEO/General Manager

5/10/2005

Date

Attachment 1 – Rancho California Water District Recharge and Recovery Operating Agreement/Replenishment Principles

Rancho California Water District Recharge and Recovery Operating Agreement/Replenishment Principles

PURPOSE

The Metropolitan Water District of Southern California (Metropolitan), Eastern Municipal Water District (Eastern), and Rancho California Water District (Rancho California) agree that coordinated use of Metropolitan and Rancho California facilities will reduce peak demands on the Skinner treatment plant and San Diego Pipeline 4. The purpose of the Rancho California Recharge and Recovery Operating Agreement (RROA) will be to:

- Allow Skinner agencies serving Riverside County to participate in a program to manage water resources and operate facilities in a more efficient and cost effective manner for the mutual benefit of Metropolitan, Eastern, Western Municipal Water District (Western), Rancho California, and San Diego County Water Authority (San Diego).
- Coordinate use of Metropolitan and Rancho California facilities to relieve demand on the Skinner treatment plant and San Diego Pipeline 4 until module 7 at the Skinner treatment plant comes online.
- Efficiently utilize Rancho California's storage, recharge, and recovery facilities to minimize summer peak-day demands on Metropolitan's Skinner treatment plant by maximizing the use of Rancho California's Recharge and Recovery facilities.

PRINCIPLES

To accomplish these objectives, Metropolitan, Eastern, and Rancho California have established the following Principles:

- These Principles support a cooperative effort between Metropolitan, Eastern, and Rancho California to address summer peaking at Metropolitan's Skinner treatment plant through the coordinated use of existing facilities.
- These Principles build upon previous efforts of Metropolitan, and agencies within the Skinner operating area to manage growing demands within existing capacity constraints and work together in a cooperative fashion.
- These Principles are the basis of an RROA intended to accomplish the purposes set forth above.

Term

1. The **RROA** will commence June 1, 2005 and terminate on the date that Module 7 at the Skinner treatment plant becomes fully operational. At the end of this RROA, the costs and benefits will be evaluated with Eastern and Rancho California to demonstrate the need and benefits of the program. The agreement may be renewed on similar terms if adequate benefits are demonstrated.

Operations

1. Between June 1 and October 31, Rancho California will reduce its treated water demand off the Skinner treatment plant by shifting its demand off of the WR-26, WR-28, EM-13 and EM-20 treated water connections to the EM-19 untreated water connection by using Rancho California's recharge and recovery facilities.
2. Prior to June 1, Metropolitan, Eastern, and Rancho California will develop an operating plan for delivery of EM-19 supplies between June 1 and October 31. The operating plan will show planned system-wide well

production as well as maximum system-wide pumping capabilities based on a maximum recharge rate of 40 cfs.

3. At Metropolitan's request, Rancho California will increase its system-wide well production up to the maximum pumping level indicated in the operating plan. At the same time, Metropolitan will increase deliveries at EM-19 as needed to support the increased pumping. EM-19 deliveries used in this manner will be designated as "Call Water".
4. Rancho California will certify the first 22 cfs of EM-19 deliveries as either Interim Agricultural Water Program (IAWP) or Replenishment Service water, a number reflective of average EM-19 deliveries to Rancho California during the summers of 2001, 2002, 2003 and 2004.
5. The Call Water designation will apply to incremental EM-19 deliveries at flows greater than 22 cfs, that also correspond to incremental flows above baseline system-wide groundwater production designated in Rancho California's operating plan. Rancho California will verify increased pumping with daily groundwater production records.
6. Should EM-19 flows exceed 22 cfs without a call being made, or if EM-19 deliveries intended as Call Water do not correspond to increased system-wide well production, the water will be classified either as Replenishment Service, IAWP or full service water.
7. Call Water may be delivered on a daily basis upon 24-hour notice from Metropolitan to Eastern and Rancho California to reduce peak demands.

Billing

1. EM-19 deliveries not corresponding to an increase in system-wide groundwater production above baseline levels will not be considered Call Water. Eastern will purchase this water at Metropolitan's applicable untreated Tier 1, Tier 2, IAWP or Replenishment Service rate. Western may purchase this water at Metropolitan's untreated IAWP rate.
2. Metropolitan will issue a credit/payment to Eastern for each acre-foot of "Call Water" delivered at EM-19. Eastern will directly pass through the credit/payment to Rancho California. The credit/payment for all "Call Water" will be ~~\$125~~ \$105 per acre-foot to compensate Rancho California for the cost of developing, operating, and maintaining its recharge and recovery facilities.
3. On a monthly basis, Eastern and Rancho California will certify EM-19 deliveries as Replenishment Service, IAWP, Call Water or full-service water. Western may also certify any EM-19 deliveries qualifying for the IAWP water rate.

Reconciliation

1. Metropolitan, Eastern and Rancho California will work together to reconcile annual Call Water deliveries. Rancho California and Eastern will submit appropriate operational records, including daily flow (cfs) and volume (acre-foot) records to verify performance by December 31 following the end of the period during which Call Water was delivered. Adjustments will be made to Metropolitan's invoices as agreed to in this reconciliation.

Termination

1. This RROA will terminate when module 7 at the Skinner treatment plant comes online.