

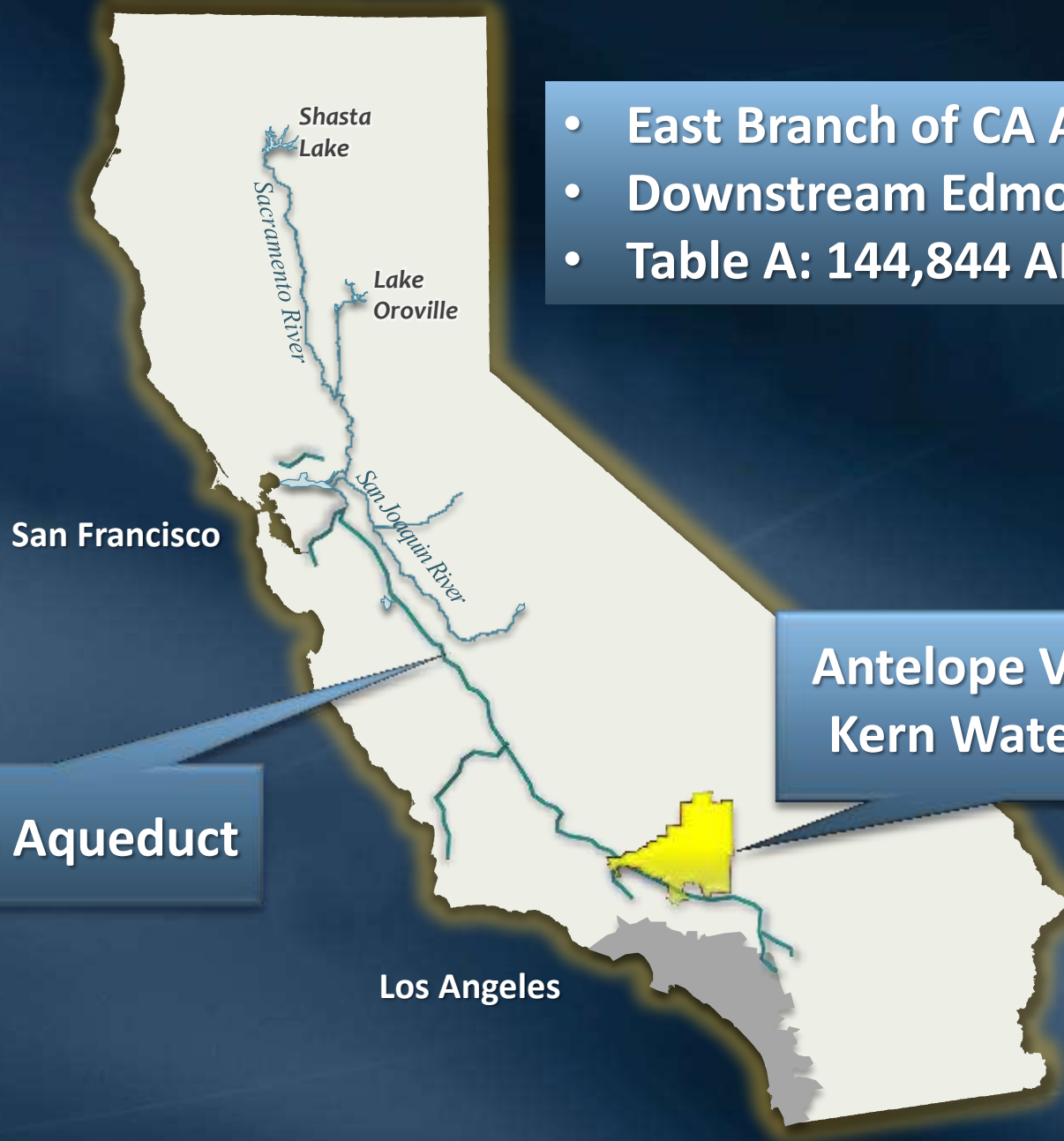


Authorize Metropolitan/Antelope Valley-East Kern Storage Program

Water Planning and Stewardship Committee

Item 8-5

April 8, 2019



- East Branch of CA Aqueduct
- Downstream Edmonston PP
- Table A: 144,844 AF

Antelope Valley-East
Kern Water Agency

California Aqueduct

Potential AVEK Storage Program

- Antelope Valley Groundwater Basin
- 280,000 AF Storage Capacity
 - 70,000 AFY max put
 - 70,000 AFY max take
 - Direct Return from wells
 - Doubles existing direct pumpback
 - 10% one-time storage loss
- Water quality meets all drinking water standards

Potential AVEK Storage Program

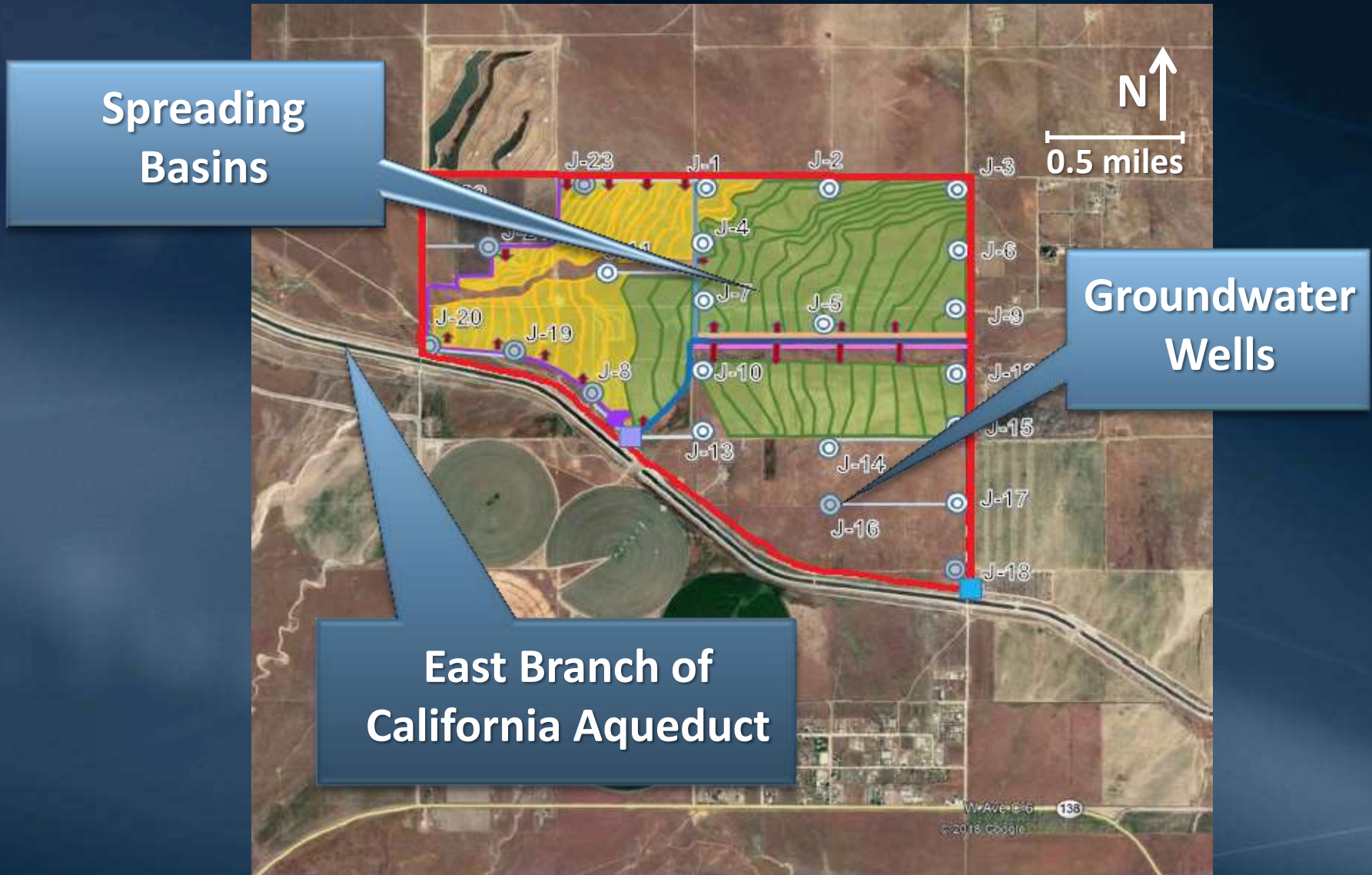
- Storage agreement term includes no cost option to extend to 2057
- First priority right for Metropolitan use
- AVEK second priority access to unused capacity
- Metropolitan and AVEK share in revenue from other lower priority partners

AVEK Storage Program Costs

- Metropolitan responsible for program capital costs estimated at up to \$131 million
 - Payment schedule based on actual costs
 - Participation right similar to other SWP groundwater programs (Not ownership right)
- Recovery usage fee \$100/AF, no fee to store
 - Escalated every year
 - Minimum average payment
- O&M and power costs
- Estimated Total Present Value
Full Cycle Cost: \$320/AF



Potential AVEK Storage Program



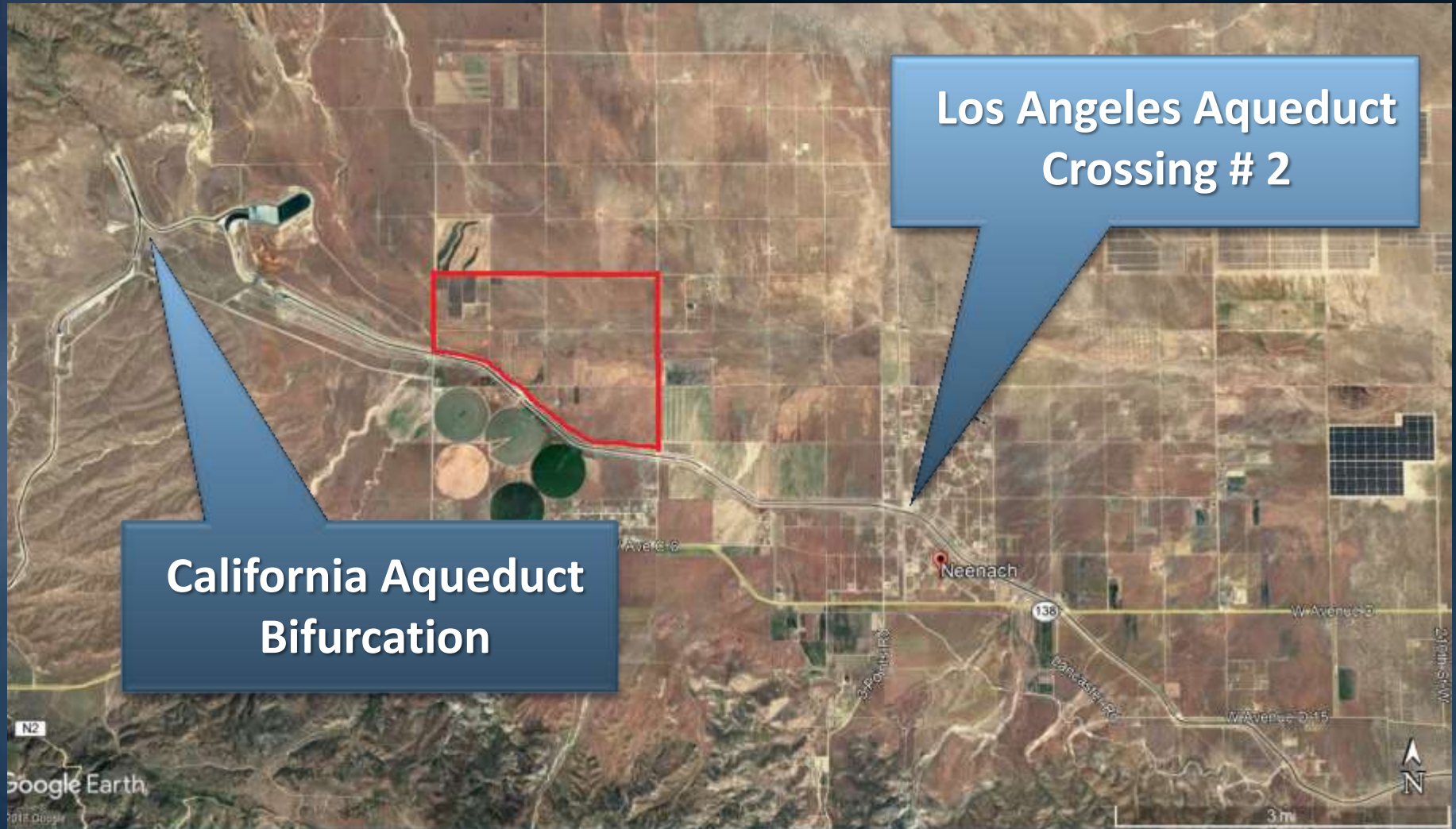
Value Engineering Workshop

- Optimize spreading basin design to maximize gravity flow
- Potential cost savings on elimination of pump station
- Reimbursement on pro-rated capital costs should Metropolitan not be party to an expanded program
- No reimbursement was factored into unit cost analysis
- Right of first refusal on program expansion

Responses to Board Questions

- Historical land use – vacant land and farming
- Groundwater flow
 - Program within sub basin
 - Mild gradient
 - Downstream water bank
- Cost competitive to alternative storage programs
- Updated cost analysis
 - Included SWP energy cost for lost water
 - Added 10% cost based on additional review

Potential AVEK Storage Program



Program Benefits

- Improves water supply reliability during droughts
- Provides greater operational flexibility to help meet demands
- Provides emergency reliability to SWP only areas downstream of Edmonston Pumping Plant
- Improves relationship with a key State Water Contractor
- Unit cost is competitive to other groundwater banking programs

Board Options

- Option #1
 - Review and consider the Lead Agency's adopted MND and take related CEQA actions
 - Authorize the General Manager to enter into the agreement with AVEK consistent with the terms outlined and in a form approved by the General Counsel
 - Approve capital payments of up to \$131 million for funding High Desert Water Bank facilities
 - Approve payments of recovery fees, operation and maintenance costs, and energy costs related to the High Desert Water Bank.

Board Options (cont.)

- Option #2
 - Take no action

Staff Recommendation

- Option # 1

