



**Board Planning Committee  
November 14, 2019**

**SUBJECT:**

Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) Program Update

**BACKGROUND:**

In 2013, five regional water agencies within the Santa Ana River Watershed came together in a collaborative effort to identify a watershed-scale project:

- Eastern Municipal Water District (EMWD);
- Inland Empire Utilities Agency (IEUA);
- Municipal Water District of Orange County (MWDOC)/Orange County Water District (OCWD);
- San Bernardino Valley Municipal Water District (Valley); and
- Western Municipal Water District (WMWD).

These agencies established the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) and were successful in securing \$55 million in grant funds from Proposition 84 through the California Department of Water Resources (DWR).

SARCCUP consists of three main program elements:

- Water Use Efficiency: Support for Agencies to Convert to Budget-Based Rates;
- Habitat Creation and *Arundo Donax* Removal; and
- Watershed-Scale Cooperative Water Banking Program.

The Watershed-Scale Cooperative Water Banking Program (Banking Program) allows wet-year water to be stored in groundwater basins for later use during dry years or for emergencies. There have been several changes to the water banking facilities since the program was initially developed in 2013. One such significant change is the reduction of about 44,000 acre-feet (AF) of banking capacity. The storage capacity was reduced from 180,000 AF to a range of 130,000 – 144,000 AF. Despite this recent change, SARCCUP still remains one of the largest storage programs in Southern California, as it has more storage capacity than Lake Perris, Big Bear Lake, or Lake Silverwood. The other two program elements conserve water by promoting conservation and replacing high-water consuming *Arundo Donax* with low-water use native plant species.

The Banking Program includes the purchase of surplus imported water made available by the San Bernardino Valley Municipal Water District (Valley). This transaction requires an agreement with Metropolitan Water District of Southern California (MWD) as both MWD and Valley are State Water Project (SWP) Contractors.

EMWD staff along with staff from other agencies involved in SARCCUP have been working with MWD to define the operating scenarios that will be included in a joint agreement among MWD and the SARCCUP agencies. Several meetings have been held between MWD staff and the SARCCUP agencies to review the draft Operational Term Sheet (Exhibit A) that details the scenarios for purchasing, transferring, and banking surplus imported water made available by Valley. Significant progress has been achieved at these meetings. Most recently, EMWD staff along with staff from other agencies involved in SARCCUP met with MWD executive management to discuss comments received by MWD staff on the draft Operational Term Sheet, with a focus on rates and charges for the water. There was agreement among MWD and the SARCCUP agencies on all terms except one limited pricing issue MWD is considering, and the direction from the meeting was for EMWD to proceed with development of a draft agreement between MWD and the SARCCUP agencies for review.

MWD and Valley have also been working together to develop an updated agreement that will allow MWD to purchase Valley water when Valley declares a surplus of SWP supplies. The MWD/Valley agreement establishes that the SARCCUP agencies will be able to purchase at least fifty percent of the Valley surplus supplies for the Banking Program.

As part of the SARCCUP program, EMWD is receiving approximately \$13 million in grant funds for conservation measures and to develop 19,500 AF of recharge capacity in the San Jacinto Basin. Although there have been changes to the SARCCUP program, EMWD's project components and banking capacity have not changed since the program was defined. EMWD's SARCCUP projects include construction of three new groundwater extraction wells (Wells 201, 202 and 203) and the 39-acre Mountain Avenue West recharge facility. Drilling is complete for all the wells and a construction contract for the Mountain Avenue West recharge facility was awarded by the Board in September 2019.

Upcoming steps for the SARCCUP program include finalization of the Operational Term Sheet and development of a draft agreement between MWD and the SARCCUP agencies.

**FINANCIAL IMPACT:**

None

**STRATEGIC PLANNING GOAL/OBJECTIVE:**

Water Supply Diversity and Reliability: Develop and implement a portfolio of projects and management techniques to achieve a reliable and cost-effective balance of water supplies utilizing imported, local and recycled water sources.

**ENVIRONMENTAL IMPACT:**

This project is subject to the California Environmental Quality Act (CEQA) and an Environmental

Impact Report (EIR) was prepared in conformance with California Code of Regulations Title 14, Chapter 3, Article 7, Section 15080, *et seq.* The Final EIR was certified and adopted by the Board on June 20, 2018.

**RECOMMENDATION:**

This item is informational only.

**SUBMITTED BY:**

  
Paul D. Jones II, P.E., General Manager

11/8/2019

  
Joe Mouawad, Assistant General Manager

11/5/2019

**Attachment(s):**

*Exhibit A - Operational Term Sheet  
Presentation*

11/20/19 Board Meeting

Staff Contact: Brian Powell