



**Board of Directors
June 3, 2020**

SUBJECT:

Approve and Authorize Agreement Term Sheet with Western Municipal Water District for the North Perris Groundwater Program

BACKGROUND:

Eastern Municipal Water District (EMWD) is advancing the North Perris Groundwater Basin Program (Program) to remediate and contain groundwater contamination in the North Perris and Moreno Valley area. The Program also develops local groundwater resources to serve potable water demands.

Proposed groundwater production and treatment facilities are located wholly within EMWD's service area and include multiple well clusters consisting of up to nine groundwater production wells, wellhead treatment facilities, blending stations, conveyance pipelines, and up to 20 monitoring wells. Estimated production is 6,750 acre-feet per year (afy) with anticipated implementation capital costs of approximately \$89.9 million.

In October 2019, EMWD was notified by the State Water Resources Control Board (SWRCB) of preliminary award of Proposition 1 funding grant in support of the Program in amount up to \$36.3 million. In February 2020, EMWD submitted updated Program estimated costs to the SWRCB and requested an increase of Proposition 1 funding grant to \$44.9 million. EMWD received and executed the funding agreement on May 21, 2020.

EMWD and Western Municipal Water District (WMWD) have collaborated over the past several years to advance the Program. As such, EMWD and WMWD have developed an agreement term sheet for WMWD's participation in the Program. As part of proposed terms, WMWD shall have the option to acquire Program water from EMWD to serve Department of Defense (DoD) demands within the March Air Reserve Base (MARB) starting at the current approximate demand of 500 afy and increasing per a specified allocation schedule.

The proposed agreement term sheet, presented as Exhibit A, outlines WMWD's participation approach, financial considerations, WMWD's involvement in Program technical development review, advocacy, interface with MARB, and interagency coordination.

The proposed agreement with WMWD provides multiple benefits in advancing the Program and providing a reliable local water supply source for MARB DoD facilities, and for EMWD potable water needs surrounding community.

FINANCIAL IMPACT:

The Agreement provides WMWD with the option to purchase Program water from EMWD per the financial terms outlined in Exhibit A.

STRATEGIC PLANNING GOAL/OBJECTIVE:

Partnerships: Position EMWD to respond to interagency consolidation opportunities or partnerships that are mutually beneficial, promote improved service to the community, and are implemented in a timely and orderly fashion.

ENVIRONMENTAL IMPACT:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

RECOMMENDATION:

Approve and authorize the General Manager, or his designee, to execute agreement with WMWD for the North Perris Groundwater Program Participation per attached terms and conditions subject to non-substantive changes.

SUBMITTED BY:


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

5/22/2020


Joe Mouawad, Assistant General Manager

5/19/2020

Attachment(s):

Exhibit A - Term Sheet
Presentation

History:

05/28/20	Board Operations and Engineering Committee	RECOMMENDED FOR
		APPROVAL
06/03/20	Board Meeting	

Staff Contact: Joe Mouawad