

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JUNE 24, 2019

ITEM NO: 17

SUBJECT: NEW CONSERVATION WATER FROM SEVEN OAKS DAM AND ENHANCED RECHARGE PROJECT – UPDATE

ISSUE:

Receive an update for New Conservation Water in the San Bernardino Basin Area associated with the Seven Oaks Dam and the Enhanced Recharge Project.

RECOMMENDATION:

That the Board of Public Utilities receive an update for New Conservation Water in the San Bernardino Basin Area associated with the Seven Oaks Dam and the Enhanced Recharge Project.

BACKGROUND:

Riverside has adjudicated rights to extract and export water from the San Bernardino Basin Area (SBBA). These rights are currently set at 55,263 acre-feet per year (AFY) and they represent 22.5 percent of the total water rights for the basin. Riverside may increase its extraction/export rights if it participates in "New Conservation" projects as defined by the Western Municipal Water District of Riverside County et al., v East San Bernardino County Water District. et al. Judgment issued in 1969 (1969 Judgment).

Within the 1969 Judgment, Western Municipal Water District (Western) represents Riverside's interests associated with "New Conservation" projects. Riverside has participated in two (2) "New Conservation" projects that capture storm water from Seven Oaks Dam and recharge it to the Bunker Hill groundwater basin. The first project is known as the Seven Oaks Dam Initial Conservation Project (Initial Project) and the second is the Seven Oaks Dam Enhanced Recharge Project (ERP). The recharge facilities associated with these projects are located east of the City of Redlands and approximately two (2) miles downstream from the Seven Oaks Dam.

San Bernardino Valley Municipal Water District (Valley) and Western have entered into agreements to complete these two (2) projects. Valley has taken the lead to complete the projects and Western has agreed to reimburse them for Riverside's and other Plaintiff parties' portion of the costs. In turn, Riverside and Western have entered into agreements for Riverside to participate in these "New Conservation" projects.

In prior actions, the Board and City Council have authorized Riverside to enter into three (3) agreements: Cost Sharing Agreement-Seven Oaks Dam Water Conservation Study and Amendment 1, (January 4, 1994); the First Supplement to Cost-Sharing Agreement – Seven Oaks Dam Initial Water Conservation Construction Costs (June 18, 1997); and the Second Supplement [Agreement between Western Municipal Water District of Riverside County and the City of Riverside for Payment of Costs Related to Seven Oaks New Conservation] (June 27, 2013). In addition to these authorizations, the ERP was included in Utility 2.0

and RPU's current budget, which was approved and adopted by the Board and City Council. Funding for this project extends through fiscal year 2022-23.

Through these approvals, Riverside Public Utilities (RPU) has invested about \$8.08 million to expand water extraction and exports from the SBBA through participation in the Initial Project and ERP – Phase 1A. The Initial Project was a collaborative effort between the Orange County and San Bernardino County Flood Control Districts and the water purveyors in the Upper Watershed. The Flood Control Districts were constructing the Seven Oaks Dam for flood control purposes, specifically, to work in conjunction with Prado Dam to protect the entire watershed from large storm events. The water purveyors saw an opportunity to coordinate with the designers of the dam to include conveyance facilities for low flow releases and contracted with San Bernardino Valley Water Conservation District (Conservation District) to recharge the water released from Seven Oaks Dam in their downstream spreading basins. The Initial Project had the capacity to divert up to 195 cubic feet per second (cfs) and allowed the water purveyors to enhance the natural recharge to the Bunker Hill Basin by about 7,600 AFY, of which Riverside's share was 1,719 AFY.

DISCUSSION:

Riverside will be participating in the ERP Phases 1B and 1C, which builds off our investments in the Initial Project and ERP Phase 1A. The ERP Phases 1B and 1C will expand the recharge capacity of the Conservation District's recharge basins and conveyance facilities downstream of Seven Oaks Dam from 195 cfs to 500 cfs; and, by participating in these projects, Riverside is estimated to add an additional 711 AFY of perpetual groundwater extraction and export rights from the Bunker Hill groundwater basin. After completing all of the ERP Phase 1 projects, the facilities will be able to recharge up to 80,000 acre-feet during a single wet year. The participation costs for Riverside are summarized in the following table:

New Conservation Project	Previously Paid Costs	Projected Costs from FY 2018-19 through FY 2022-23	Total Project Costs	Perpetual Extraction Rights for Riverside (in AFY)
Initial Project	\$4,649,000	-	\$4,649,000	1,719
ERP Phase 1A	\$3,428,000	\$450,000	\$3,878,000	-
ERP Phase 1B	-	\$4,925,000	\$4,925,000	-
ERP Phase 1C	-	\$790,000	\$790,000	711
Totals	\$8,077,000	\$6,165,000	\$14,242,000	2,430

FISCAL IMPACT:

The total estimated cost to participate in the New Conservation projects is expected to total \$14,242,000 in capital costs and about \$78,715 per year in Gross Lease Fees. RPU has paid \$8,077,000 in participation costs thus far. Future payments in the amount of \$6,165,000 are anticipated for Fiscal Years 2018-19 through 2022-23. Sufficient funds are available in the Seven Oaks Dam Conservation Water Account No. 6230000-470813.

Prepared by: Todd L. Jorgenson, Utilities Assistant General Manager/Water
 Approved by: Todd M. Corbin, Utilities General Manager
 Approved by: Al Zelinka, FAICP, City Manager
 Approved as to form: Gary G. Geuss, City Attorney

Certifies availability

of funds: Brian Seinturier, Utilities Fiscal Manager

Attachment: Presentation