

AGENDA
IRVINE RANCH WATER DISTRICT
SUPPLY RELIABILITY PROGRAMS COMMITTEE
THURSDAY, APRIL 20, 2017

CALL TO ORDER 3:00 p.m., Committee Room, Second Floor, District Office
15600 Sand Canyon Avenue, Irvine, California

ATTENDANCE Committee Chair: Peer Swan _____
Member: Douglas Reinhart _____

<u>ALSO PRESENT</u>	Paul Cook	_____	Kellie Welch	_____
	Rob Jacobson	_____	Patrick Sheilds	_____
	Ray Bennett	_____	Paul Weghorst	_____
	Jo Ann Corey	_____	Dane Johnson	_____
	Fiona Sanchez	_____	Christine Compton	_____
	_____	_____	_____	_____

COMMUNICATIONS

1. Notes: Weghorst
2. Public Comments
3. Determine the need to discuss and/or take action on item(s) introduced that came to the attention of the District subsequent to the agenda being posted.
4. Determine which items may be approved without discussion.

INFORMATION

5. WATER BANKING PROJECT FACILITIES, CAPACITIES, OPERATIONS AND PROGRAMS OVERVIEW – JOHNSON/WELCH/SANCHEZ/WEGHORST

Recommendation: Receive and file.

6. WILLIAMS RANCH PROPERTY REVIEW – JOHNSON/SHINBASHI/JACOBSON/WEGHORST

Recommendation: Receive and file.

ACTION

7. AMENDMENT NO. 1 TO STOCKDALE INTEGRATED BANKING
PROJECT OPERATING AGREEMENT – WELCH/SANCHEZ/
WEGHORST

Recommendation: That the Committee authorize staff and legal counsel to work with Rosedale-Rio Bravo Storage District to finalize Amendment No. 1 to the Agreement for a Water Banking, Recovery and Exchange Program for the Stockdale West and Stockdale East Properties and to present the amendment for consideration by the full Board of Directors.

OTHER BUSINESS

8. A. Directors' Comments

B. CLOSED SESSION with real property negotiator (Government Code Section 54956.8).
Property Parcels: 833-030-030, 833-081-002, 833-091-001, 833-091-003, 833-091-004, 833-091-005, 833-091-032, 830-050-015, 830-210-005, 830-210-014,
830-220-004, 857-120-015, 857-120-014, 857-120-013, 857-120-010, 857-120-016, 857-130-006, 857-130-010, 857-130-013, 857-130-003, 836-155-018, 836-050-015, 836-050-017, 857-210-019, 857-210-018, 836-100-010, 836-100-011, 866-120-003, 866-120-004, 866-040-002, 866-040-003, 869-260-001, 866-080-008, County of Riverside
Negotiating Parties: Wey Almond Farms and Wegis Family
Agency Negotiator: Paul Cook, General Manager
Purpose of Negotiations: Price and Term of Payment,

C. Adjourn

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the above-named Committee in connection with a matter subject to discussion or consideration at an open meeting of the Committee are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California ("District Office"). If such writings are distributed to members of the Committee less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to Committee Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available at the entrance of the meeting room at the District Office. The Irvine Ranch Water District Committee Room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.), please contact the District Secretary at (949) 453-5300 during business hours at least seventy-two (72) hours prior to the scheduled meeting. This agenda can be obtained in an alternative format upon written request to the District Secretary at least seventy-two (72) hours prior to the scheduled meeting.

April 20, 2017

Prepared by: D. Johnson/K. Welch

Submitted by: F. Sanchez/P. Weghorst

Approved by: Paul Cook 

SUPPLY RELIABILITY PROGRAMS COMMITTEE

WATER BANKING PROJECT FACILITIES, CAPACITIES, OPERATIONS AND PROGRAMS OVERVIEW

SUMMARY:

Staff has prepared information related to IRWD's water banking facilities, capacities, exchange programs and operations that can be used for reference purposes during Committee meetings. At the Committee meeting, staff will provide an overview of the information.

BACKGROUND:

To assist in the facilitation of Committee meeting discussions, staff has prepared reference materials in tabular, map and schematic formats that describe IRWD's water banking facilities, capacities, operations and exchange programs. The reference materials will be updated as needed to reflect changes to the projects, programs and operations. Following is an overview of the reference materials provided.

Capacity and Operations Tables:

A table has been prepared that presents storage, recharge and recovery capacities of existing and planned IRWD water banking projects including capacities available to IRWD in the Kern Water Bank. Another table has been prepared that provides an update on water banking recovery and recharge operations and the balance of the stored water in the Kern Water Bank. These tables are provided as Exhibits "A" and "B", respectively.

2017 Recharge Operations Update:

Exhibit "B" has been updated to provide current estimates of the amounts and types of water that have been recharged in 2017 at the Strand and Stockdale Integrated Banking Projects as well as at the Kern Water Bank. The estimates are shown net of losses and may be subject to further adjustments for Cross Valley Canal conveyance losses. The total amount of water delivered to the projects so far in 2017 is approximately 8,700 acre-feet (AF). In March 2017, IRWD recharged 1,048 AF of State Water Project Table A water and approximately 3,610 AF of Article 21 water that was made available through IRWD's existing unbalanced exchange program with Dudley Ridge Water District (DRWD). Since April 6, 2017, IRWD has been taking delivery of high-flow Kern River water from Buena Vista Water Storage District (BVWSD). Staff estimates approximately 3,600 AF of Kern River water has been delivered to date. It is expected that up to 30,000 AF of high-flow Kern River water will be delivered to the projects through August 2017. To date, 454 AF of water has been recharged into IRWD's account in the Kern Water Bank.

Project Maps:

To support the tables provided as Exhibits “A” and “B”, staff has prepared maps that depict project wells, pipelines and Cross Valley Canal turn-out locations, and recharge basin locations. These maps are provided as Exhibits “C”, “D”, and “E”, respectively. The facilities shown on these maps are associated with the Strand Ranch, Stockdale West, Stockdale East and Rosedale Drought Relief Projects.

Program Agreement Diagrams:

Schematic diagrams have been prepared that depict IRWD’s water banking and exchange programs with Rosedale-Rio Bravo Storage District, BVWSD, DRWD and Metropolitan Water District of Southern California. These diagrams are provided as Exhibits “F”, “G”, “H”, “I” and “J” as described in the List of Exhibits below. Staff has prepared a new diagram shown on the second page of Exhibit “G” which depicts an overview of the recently executed agreement between IRWD and BVWSD for the one-year program to augment recharge using the Stockdale West recharge facilities.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

- Exhibit “A” – Recharge, Storage and Recovery Capacities of Current and Anticipated Water Banking Projects
- Exhibit “B” – Water Banking Storage, Recharge and Recovery Operations
- Exhibit “C” – Map of Water Banking Project Wells and Pipelines
- Exhibit “D” – Map of Cross Valley Canal Turnout Facilities
- Exhibit “E” – Map of Water Banking Recharge Basins
- Exhibit “F” – Diagram of IRWD-Rosedale Water Banking and Exchange Program Agreements
- Exhibit “G” – Diagram of Long-Term Water Exchange Program with Buena Vista Water Storage District and Diagram of One-Year Program to Augment Recharge Using Stockdale West Recharge Facilities with Buena Vista Water Storage District
- Exhibit “H” – Diagram of Unbalanced Exchange Program Diagram with Dudley Ridge Water District

Exhibit “I” – Diagram of Coordinated Operating, Water Storage, Exchange and Delivery
Agreement with Metropolitan Water District of Southern California

Exhibit “J” – Diagram of Template Wheeling Agreement with Metropolitan Water District of
Southern California

Exhibit "A"

TABLE 1
Current and Anticipated Water Banking Projects
Recharge, Storage and Recovery Capacities
April 20, 2017

WATER BANKING PROJECT	OWNERSHIP AND WELL INFO			ALLOCATED CAPACITY (AF)					1 ST PRIORITY RECOVERY CONDITIONS (CFS)		2 ND PRIORITY RECOVERY CONDITIONS (CFS)	
	IRWD OWNED	WELLS EXISTING	WELLS PROPOSED OR UNDER CONST.	TOTAL STORAGE CAPACITY	ANNUAL RECHARGE 1 ST PRIORITY	ANNUAL RECHARGE 2 ND PRIORITY	ANNUAL RECOVERY 1 ST PRIORITY	ANNUAL RECOVERY 2 ND PRIORITY	RECOVERY CAPACITY AS PLANNED ¹	ESTIMATED RECOVERY CAPACITY (DEC. 2016 CONDITIONS) ²	RECOVERY CAPACITY AS PLANNED	RECOVERY CAPACITY CURRENT CONDITIONS
Strand Ranch	Yes	7	-	50,000	17,500	-	17,500	-	40.0	27.0	-	-
Stockdale West	Yes	-	3	26,000	27,100	-	11,250	-	15.0	-	-	-
Stockdale East	No	-	2	-	-	19,000	-	7,500	-	-	10.0	-
IRWD Acquired Storage Account ³	No	-	-	50,000	-	-	-	-	-	-	-	-
Drought Relief Project Wells ³	No	-	3	-	-	-	-	-	15.0	-	-	-
Kern Water Bank Storage Account ⁵	No	-	-	9,495	3,200	-	6,330	-	-	-	-	-
TOTALS		7	8	126,000	44,600	19,000	28,750	7,500	70.0	27.0	10.0	0.0
Partner Capacities ⁴				36,000	22,300	9,500	12,000	0	35.5	27.0	-	-
IRWD Capacities				90,000	22,300	9,500	16,750	7,500	34.5	0.0	-	-
IRWD's recovery <i>during</i> 6 month partner recovery period (AF)									12,420	0.0	-	-
IRWD's recovery <i>after</i> 6 month partner recovery period (AF)									4,330	6,733	-	-
TOTALS (AF)									16,750	6,733	-	-
Number of months needed to recover IRWD's total AF after partners' recovery (Assumes IRWD has use of total recovery capacity after partners' recovery)									8.1	14.0	-	-

¹Based on designed Strand recovery capacity assuming 370' bgs. Assumes 5 cfs for each of the Stockdale West and Drought Relief wells in order to meet IRWD's Water Banking, Transfers, and Wheeling policy position. Assumes partners' water is recovered over 6 months.

²Strand Ranch wells currently idle.

³IRWD has use of Acquired Storage and Drought Relief Project wells until January 12, 2039, unless the term of the agreement is extended.

⁴One half of storage capacity at Stockdale West and Strand Ranch will be allocated for partners.

⁵Kern Water Bank capacities based on 6.58% of Dudley Ridge Water District's 9.62% share of the Kern Water Bank. Annual recharge amount is based on an average of recharge rates for high and low groundwater level conditions. Not included in storage capacity, recharge, and recovery totals to match IRWD's Water Banking Policy Position Paper (10/26/2015).

Exhibit "B"

TABLE 2
IRWD's Water Banking Storage, Recharge and Recovery Operations
 April 20, 2017

TRANSACTIONS	WATER BANKING ENTITY				
	IRWD		BUENA VISTA (BVWSD)	CENTRAL COAST (CCWA)	DUDLEY RIDGE WATER DISTRICT (DRWD) ³
	SWP ¹	NON-SWP ²	NON-SWP	SWP	SWP
BEGINNING WATER IN STORAGE 2016 (AF)					
Total Kern Water Bank	-	4,267	-	-	-
Total MWD System ⁴	7,502	-	-	-	649
Total Strand Ranch	389	9,675	-	-	-
TOTAL STORED WATER (1/1/2016)	7,891	13,942	-	-	649
(RECOVERY) AND RECHARGE IN 2016 (AF)					
CVWD	-	-	-	-	-
BVWSD	-	-	-	-	-
Kern Water Bank	-	22	-	-	-
2016 SWP Allocation ³	524	-	-	-	525
TOTAL 2016 TRANSACTIONS	524	22	-	-	525
Total Kern Water Bank	-	4,289	-	-	-
Total MWD System	8,026	-	-	-	1,174
Total Kern County	389	9,675	-	-	-
TOTAL STORED WATER (1/1/2017)	8,415	13,964	-	-	1,174
(RECOVERY) AND RECHARGE IN 2017 (AF)					
Kern Water Bank Deliveries ⁵	249	160	-	-	-
2017 SWP Allocation (60%) ³	445	-	-	-	472
2017 SWP Article 21 ⁶	1,534	-	-	-	1,624
High Flow Kern River	-	1,530	1,620	-	-
TOTAL ESTIMATED 2017 TRANSACTIONS⁷	2,229	1,690	1,620	-	2,096
ESTIMATED WATER IN STORAGE 2017 (AF)					
Total Kern Water Bank	249	4,449	-	-	-
Total MWD System	8,026	-	-	-	1,174
Total Kern County	2,369	11,205	1,620	-	2,096
TOTAL ESTIMATED STORED WATER (1/1/2018)	10,644	15,654	1,620	-	3,270

NOTES:

-Water in storage has been adjusted to account for losses. IRWD's water stored in Kern County is adjusted 15% for losses (5% for out of county loss, 6% surface loss, and 4% reserve loss); Water stored for DRWD in Kern County is adjusted 10% (6% for surface loss and 4% for reserve loss).

-MWD = Metropolitan Water District of Southern California.

¹ IRWD's SWP includes 389 AF from CVWD that stays in Kern County.

² IRWD's Non-SWP total includes 2,842 AF of Kern County Water Agency Article 21 Water.

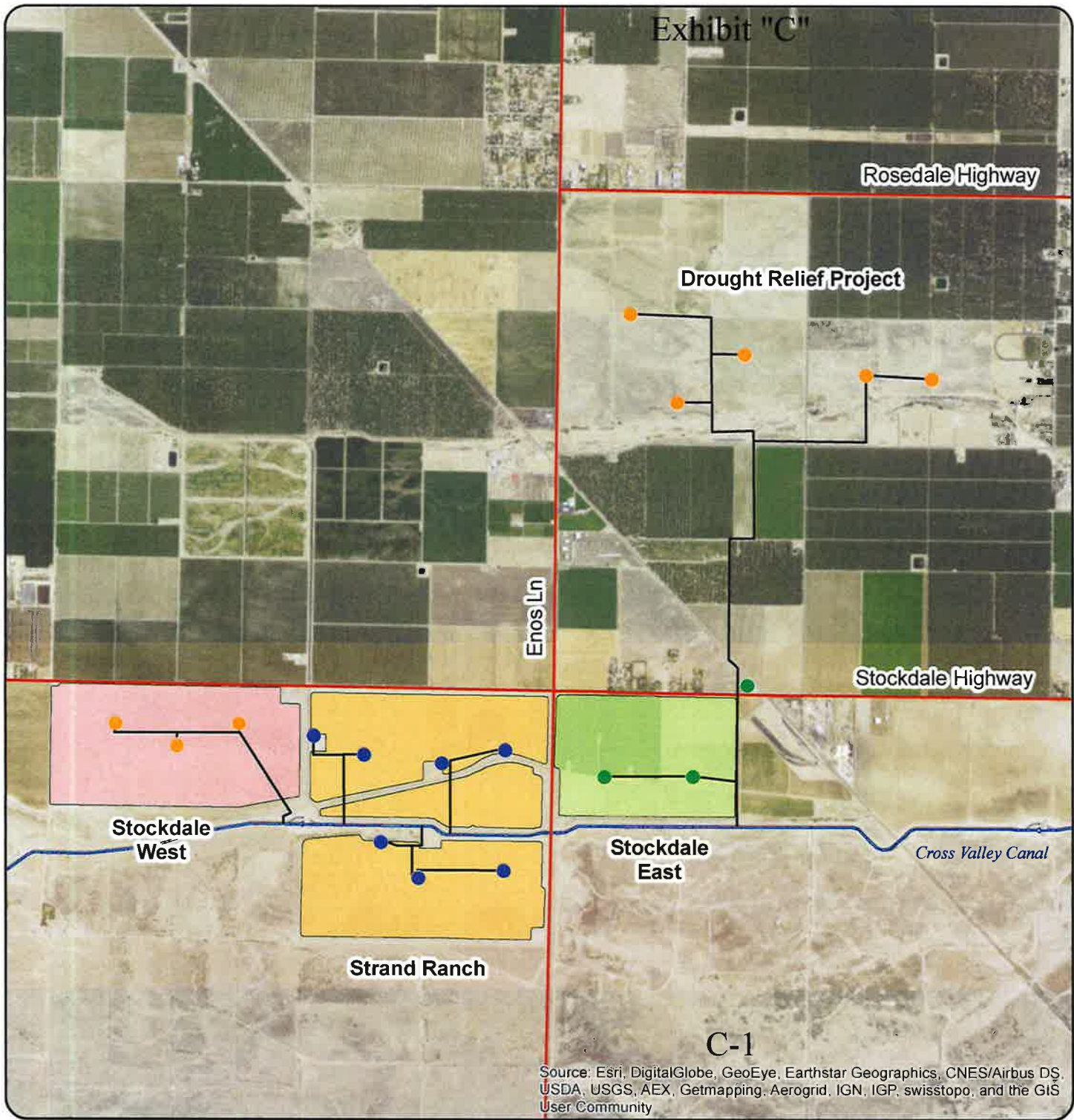
³ DRWD water supply will be returned by MWD or IRWD's Strand Ranch to IRWD's Jackson Ranch. IRWD's 2013-2016 SWP allocation amounts are stored in the MWD system. IRWD's 2017 SWP allocation water will be stored at Strand Ranch.

⁴ Beginning balance of water stored in MWD system includes 4,000 AF 2014 Exchange, 2,853 AF 2014 borrowed SWP, 649 AF IRWD's 2013-2015 SWP allocations through DRWD.

⁵ Article 21 deliveries to Kern Water Bank commenced on 2/15/17. DRWD's capacity was 72 cfs through 2/24/17, then dropped to a capacity of 63 cfs. IRWD's 6.58% yielded 9 AF/day from 2/15-2/24 and yields 8 AF/day from 2/25/17 to current.

⁶ Article 21 deliveries to Strand Ranch/Stockdale West began 3/8/17. Deliveries made pursuant to the DRWD/MWD Unbalanced Exchange Program at current rate of 130 cfs.

⁷ 2017 transactions may be adjusted for conveyance losses in CVC.

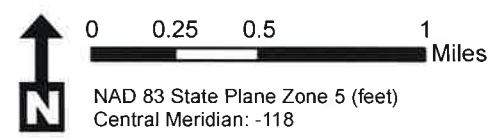


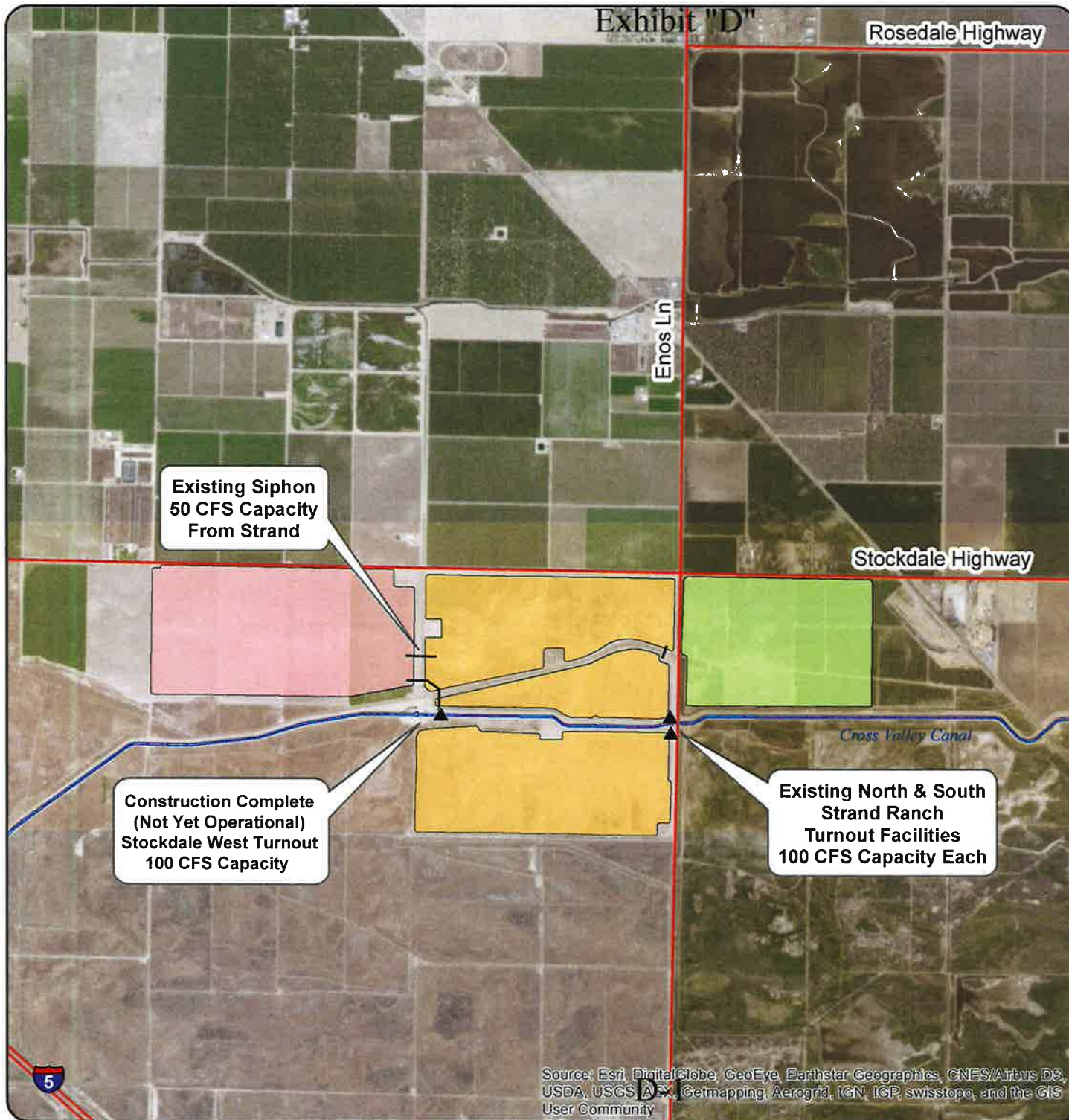
**Location Map:
IRWD Water Banking Projects
Wells and Turnin Pipelines**

MAP FEATURES

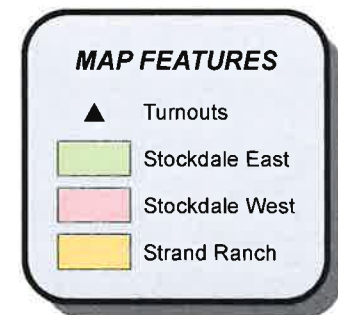
- Existing Extraction Well
- Planned Extraction Well
- Well Under Construction
- Well Discharge Pipelines
- Stockdale East
- Stockdale West
- Strand Ranch

This figure shows the location of IRWD's water banking project sites as well as existing and proposed extraction wells.

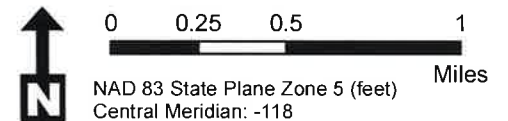


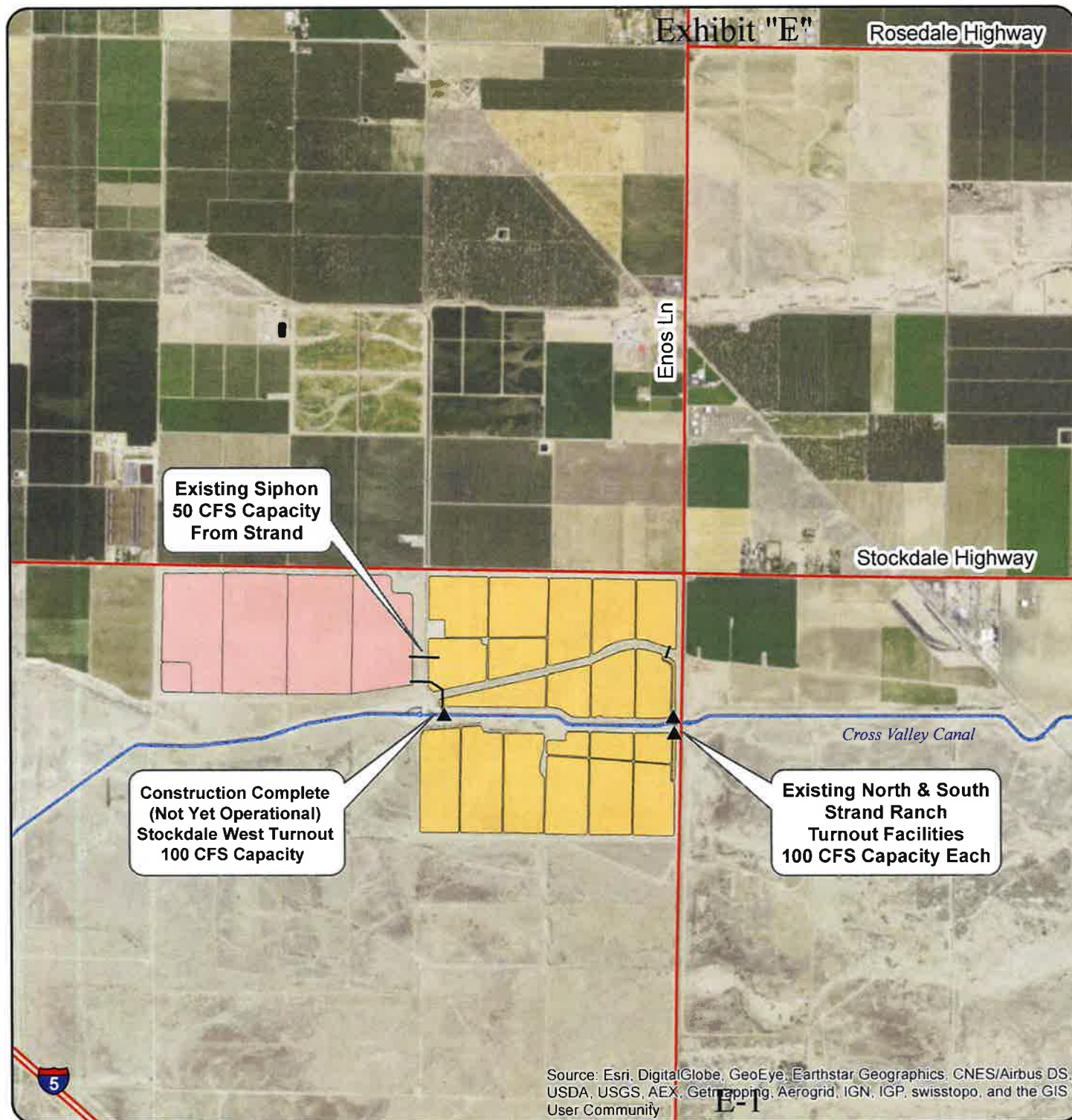


**Location Map:
IRWD Water Banking Projects
Turnout Facilities**



This figure shows the location of existing and anticipated pipelines and turnout facilities.





**Location Map:
IRWD Water Banking Projects
Recharge Basins & Turnout
Facilities**

MAP FEATURES

- ▲ Turnouts
- Stockdale West
- Strand Ranch

This figure shows the location of recharge basins as well as existing and anticipated pipelines and turnout facilities.

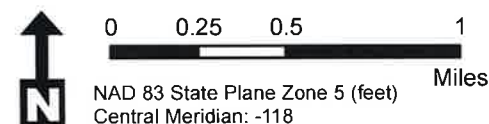


EXHIBIT "F"

IRWD-Rosedale Water Banking and Exchange Program Agreements

Effective 1/12/2009 through 1/12/2039 (Strand Ranch)
2/4/2016 through 1/12/2039 (Stockdale West)

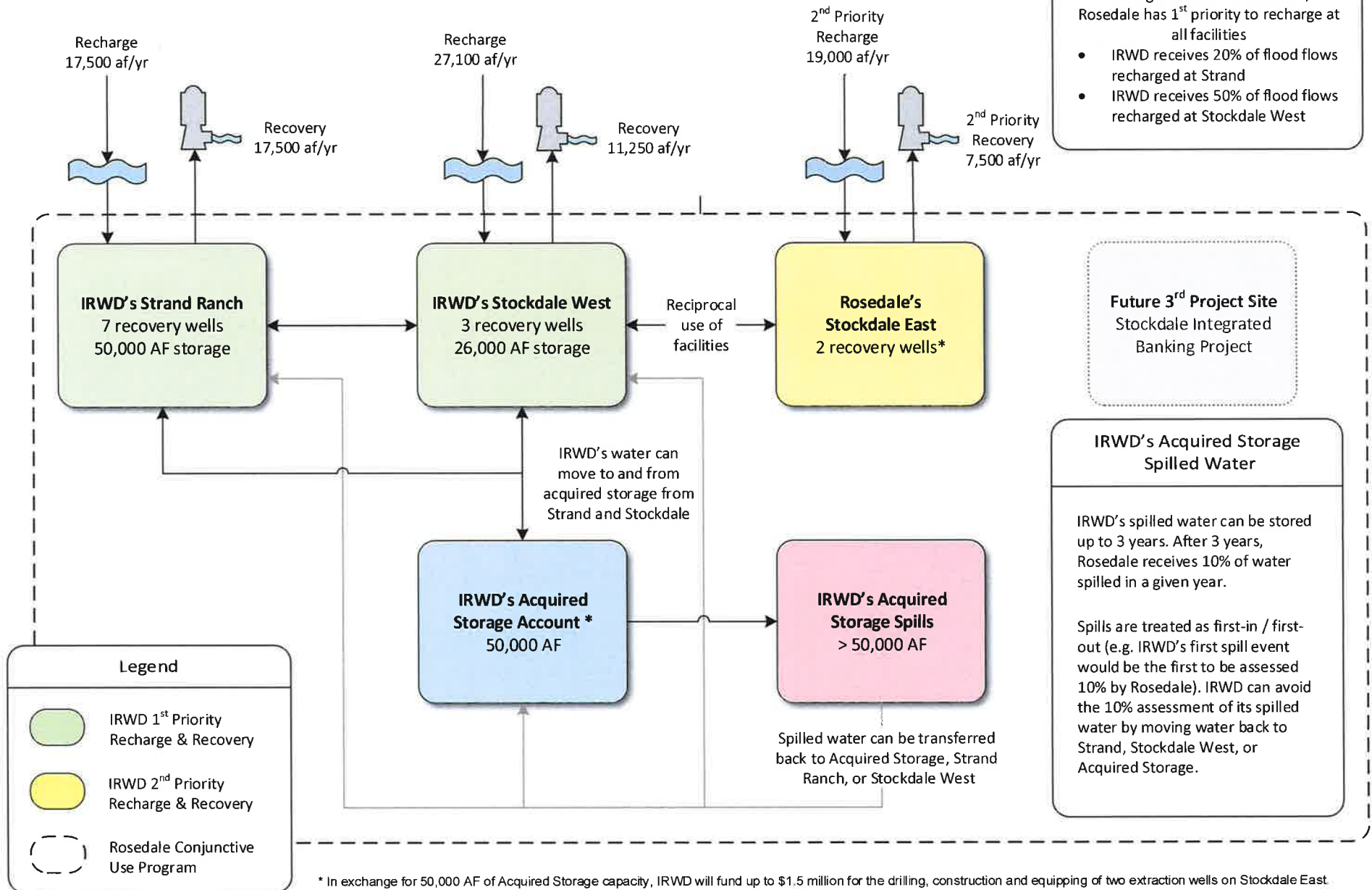
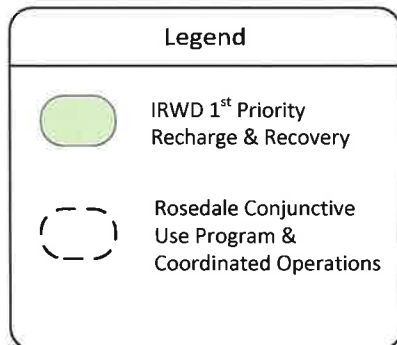
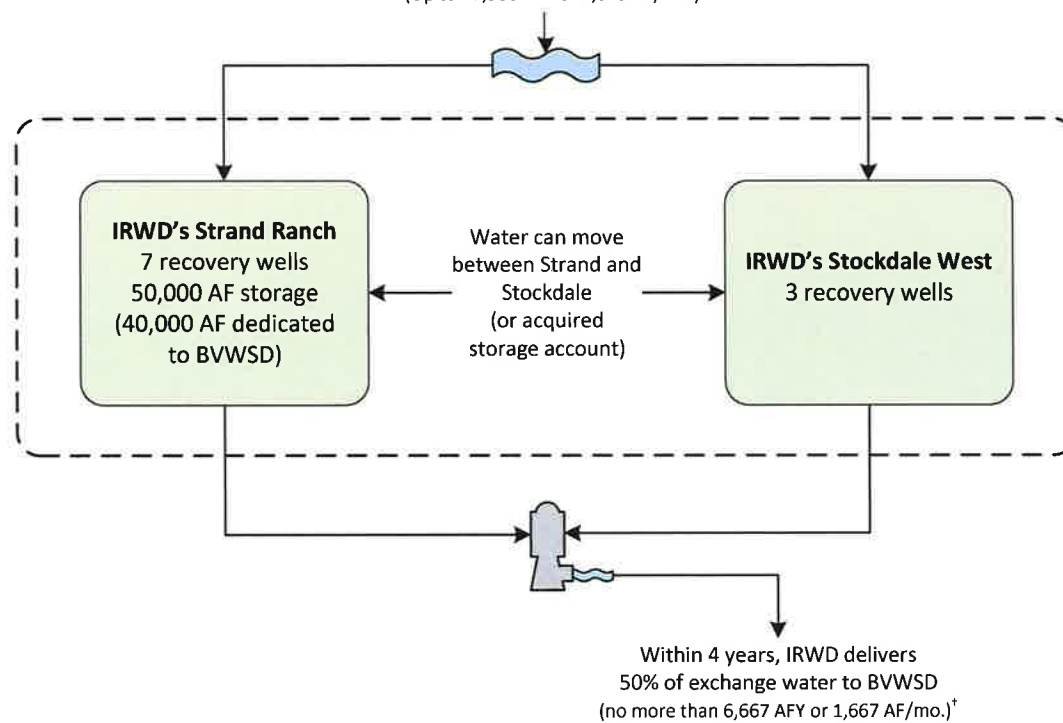


Exhibit "G"

Buena Vista Water Storage District Long Term Water Exchange Program

Effective 1/1/2011 through 1/12/2039

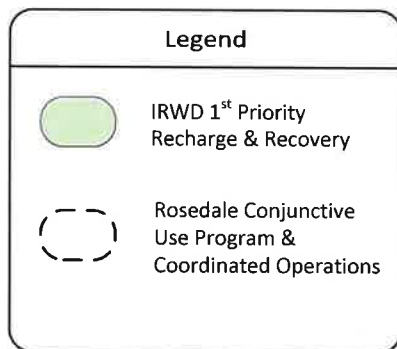
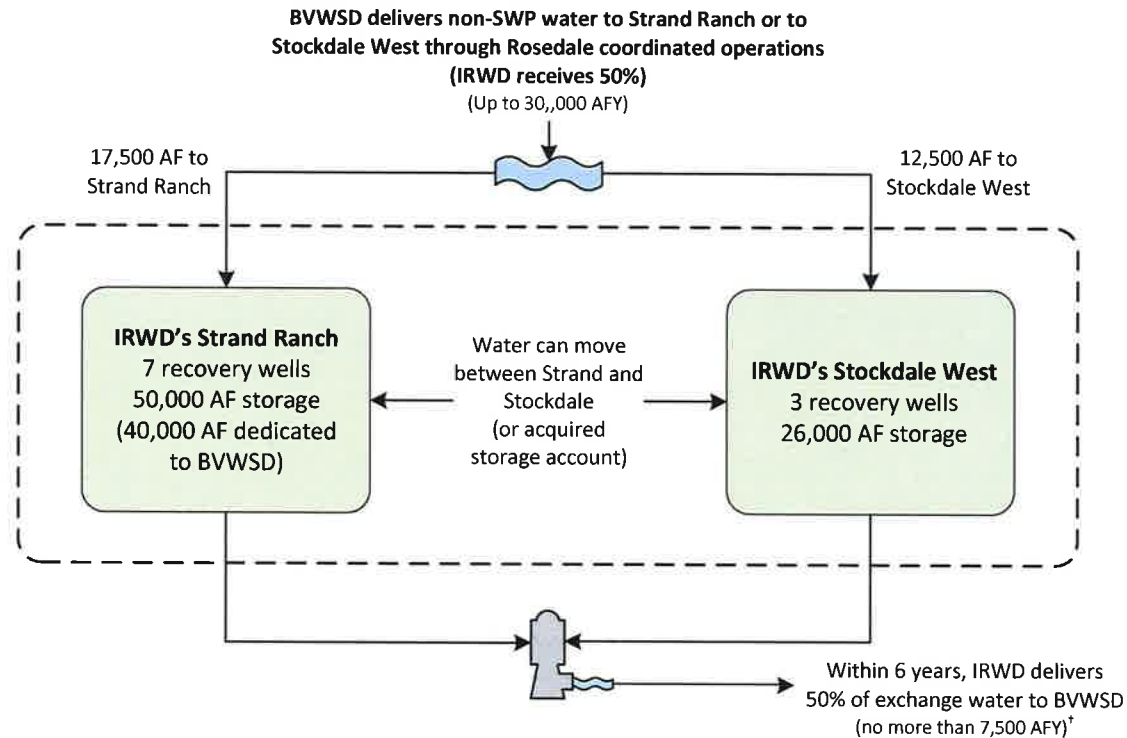
BVWSD delivers non-SWP water to Strand Ranch or to
Stockdale West through Rosedale coordinated operations
(IRWD receives 50%)
(Up to 17,500 AFY or 4,375 AF/mo.)



†IRWD shall remit one-half of the exchanged supply less one-half of reasonable losses back to BV no later than December 31st of the 4th year following the associated recharge event. IRWD pays for recovery of water returned to BV. Water to be remitted back to BV may remain in storage at Strand Ranch beyond the 4th year, in exchange for a greater percent being transferred to IRWD as compensation per the table shown to the right:

Year Following Recharge Event	Percent Transferred to IRWD	Percent Returned to BV During or Before Indicated Year
1	50%	50%
2	50%	50%
3	50%	50%
4	50%	50%
5	60%	40%
6	70%	30%
7	80%	20%
8	90%	10%
9	100%	0%

Buena Vista Water Storage District One-Year Program to Augment Recharge Using Stockdale West Recharge Facilities Effective 4/1/2017 through 3/20/2018



*IRWD shall remit one-half of the exchanged supply less one-half of reasonable losses back to BV no later than December 31st of the 6th year following the associated recharge event. IRWD pays for recovery of water returned to BV. Water to be remitted back to BV may remain in storage at Strand Ranch beyond the 6th year, in exchange for a greater percent being transferred to IRWD as compensation per the table shown to the right:

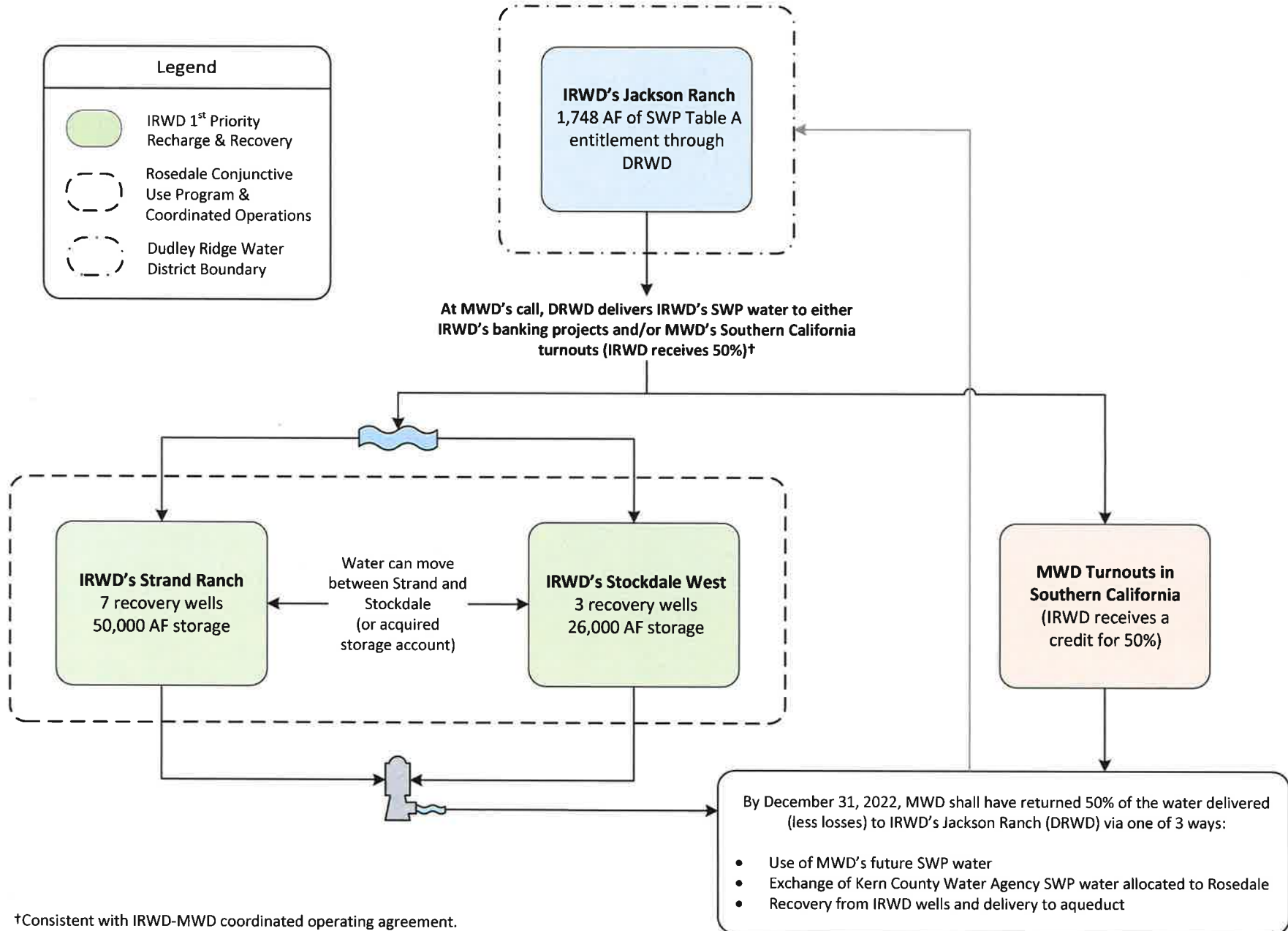
Modified for 1-Year Recharge Program Only

Year Following Recharge Event	Percent Transferred to IRWD	Percent Returned to BV During or Before Indicated Year
1	50%	50%
2	50%	50%
3	50%	50%
4	50%	50%
5	50%	50%
6	50%	50%
7	75%	25%
8	100%	0%
9	100%	0%

Exhibit "H"

Dudley Ridge Water District (DRWD) Unbalanced Exchange Program

Up to 8,700 AF delivered from 12/16/2013 through 12/31/2017



†Consistent with IRWD-MWD coordinated operating agreement.

Exhibit "I"

Coordinated Operating, Water Storage, Exchange and Delivery Agreement Between MWD, MWDOC and IRWD Effective 5/1/2011 through 11/4/2035

With MWD's consent, IRWD secures SWP water (Program Water) through exchanges with IRWD Banking Partners for use as extraordinary supply under MWD Water Supply Allocation Plan

MWD has three options for the use and storage of Program Water:

- Storage of water in IRWD's Integrated Banking Project
- Delivery to Southern California for immediate use and/or storage in MWD system
- Borrow a portion of Program water, with accrual in MWD Delivery Account

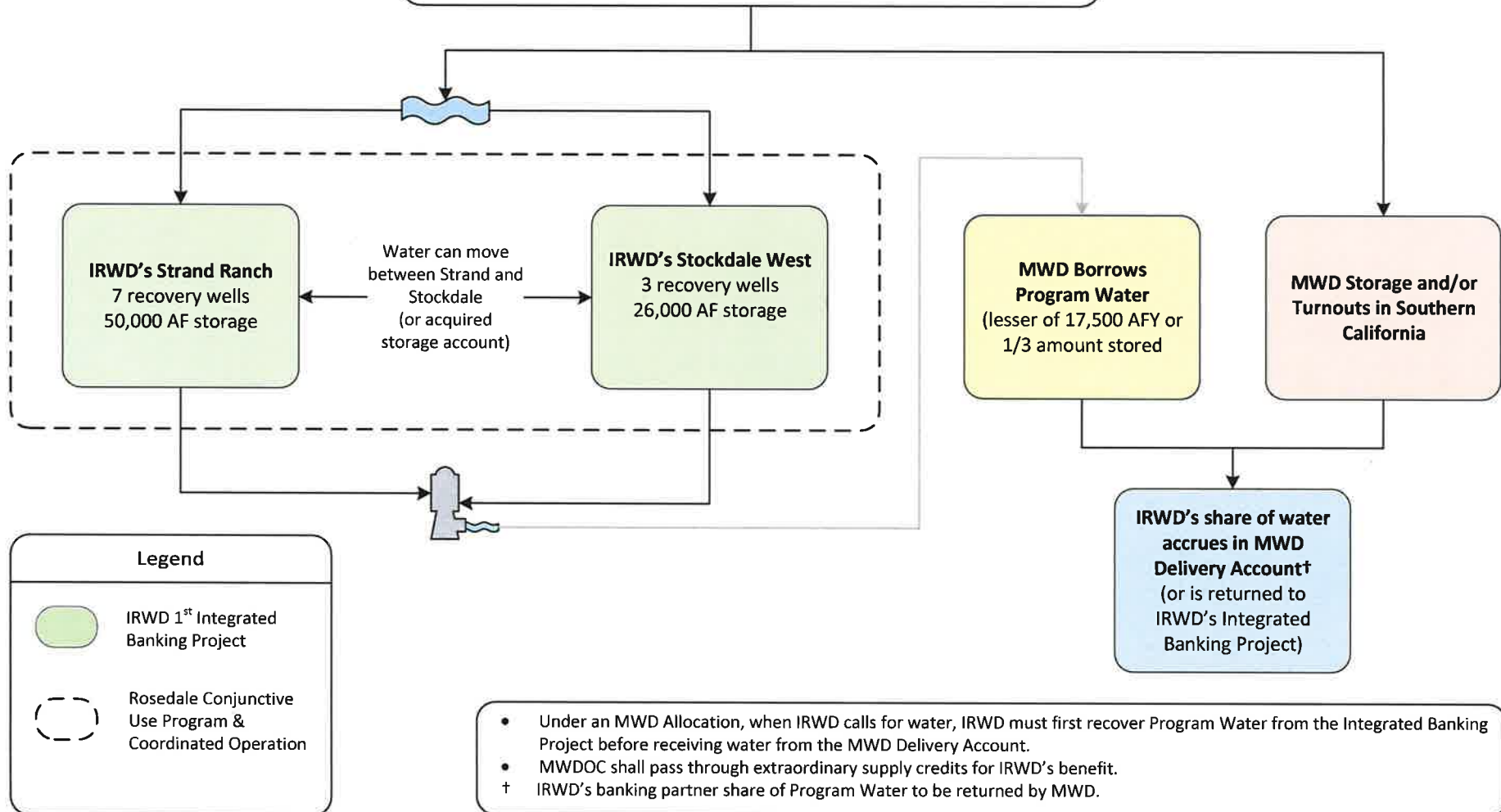
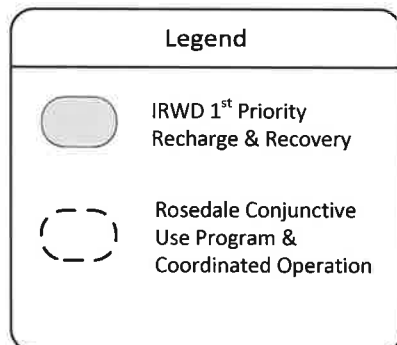
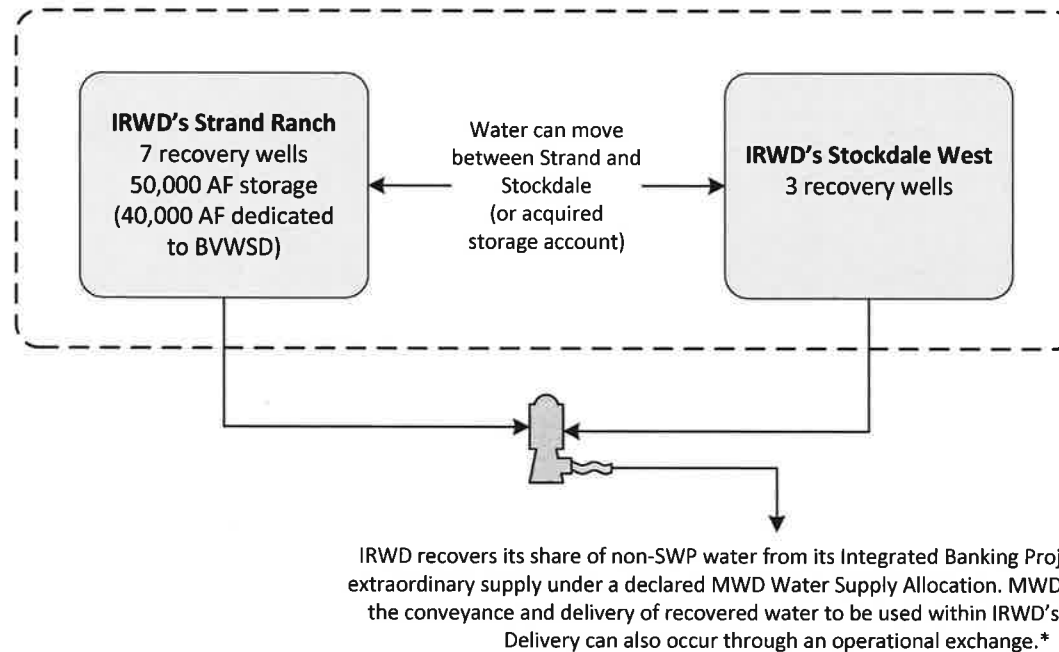


Exhibit "J"
Agreement for Conveyance of Water Between MWD, MWDOC, and IRWD (Wheeling Agreement)
Template for future agreements



*The recovered water must be used within IRWD's service area. IRWD to pay MWD wheeling charges, including system access rate, water stewardship rate, and treatment surcharge (if applicable), for each acre foot of recovered water wheeled by MWD. IRWD will pay the actual costs of power incurred by MWD to convey recovered water in the California Aqueduct to IRWD delivery points.

April 20, 2017

Prepared by: D. Johnson/A. Shinbashi

Submitted by: R. Jacobson/P. Weghorst

Approved by: Paul Cook 

SUPPLY RELIABILITY PROGRAMS COMMITTEE

WILLIAMS RANCH PROPERTY REVIEW

SUMMARY:

Staff recently visited the Williams Ranch property located within the Palo Verde Irrigation District (PVID) to survey the condition of the property and to begin preparations for the continued leasing of related homes and farmable acres. While the farmed fields are well-managed, staff identified several conditions associated with various structures, outbuildings, wells and remnant farming equipment on the property that need to be addressed. At the meeting, staff will provide an update on the site visit and preliminary recommendations related to the repair and demolition of structures in poor condition on the Williams Ranch.

BACKGROUND:

IRWD closed escrow on the Williams Ranch property in PVID on March 29, 2017. The property consists of approximately 1,615 acres of land within the PVID in Riverside County. The property includes 1,444 water toll acres of which 955 acres are currently leased for farming. Designated fields are fallowed in compliance with the existing Palo Verde Land Management, Crop Rotation and Water Supply Program. There are numerous existing structures on the property including four single-family homes and four small rental units. The locations of the residences and key structures are shown on Exhibit "A".

Due diligence investigations were conducted prior to purchasing the property and no onsite environmental conditions were identified. For the most part, the property was purchased "as is" with the condition that the sellers remove personal property and designated unserviceable structures. On April 5, 2017, staff visited the Williams Ranch and inspected the condition of the property. During the inspections, staff made note of several issues that need to be corrected. These issues are described below.

Farmed and Fallowed Acres on the Williams Ranch Property:

At the time of visit, most of the acreage on Williams Ranch was being farmed with alfalfa. The farmed acreage was well maintained and free of any notable debris. Staff observed that fallowed areas had some minor weed overgrowth; staff will arrange for a local farmer to perform maintenance on the fallowed acres.

Former Johnson Residence and Outbuildings:

Staff inspected the former residence of Mrs. Jill Johnson, which is located on the corner of Lovekin Boulevard and Williams Avenue. The residence was in good condition and the interior was clean and fully vacated.

Outbuildings:

A second residential structure immediately east of the main house had been used as an office and was found to be in poor condition. At the rear of the property is an enclosed area that was formerly used as a livestock branding facility. The entrance doors to this area were not secured, permitting open access to the building. To the north of this residential structure is another building where cattle used to be cleaned and butchered. This building is in poor condition, completely open to the exterior and lacking portions of roofing. At the Committee meeting, staff will provide preliminary recommendations associated with the repair and/or demolition of the outbuildings.

Residential Structures along Lovekin Boulevard:

To the south of the Johnson's former residence on Lovekin Boulevard is a series of four tin roof residential rental structures. A tenant currently occupies one of these residences on a month-to-month lease basis. These structures were observed to be in deteriorated condition. Staff is researching the possibility of moving the existing tenant into one of the other vacant residences. Staff will provide preliminary recommendations related to these structures at the Committee meeting.

Residence at 10800 Williams Avenue:

Approximately one-quarter mile east of the former Johnson home is a single-family residence at 10800 Williams Avenue. This home was observed to be in fair condition and is currently occupied by a tenant. The tenant expressed interest in relocating to the former Johnson home, which would then make the 10800 Williams Avenue residence available for the apartment tenant to lease. Staff is investigating this option and will coordinate any potential moves with the current tenants.

Equipment Yard on Williams Avenue:

Three-quarters of a mile east of the former Johnson home on Williams Avenue is an equipment storage area that is comprised of two detached large metal shade canopies, a steel frame workshop building with attached covered storage and a detached grain storage building. One of the metal shade canopies had compromised welds on the support posts, allowing the canopy to sway during heavy winds. Staff arranged for a local welder to make repairs to this canopy. The steel frame workshop at this location was observed to be in good condition. The detached grain storage building appeared to be in relatively poor condition with roof damage and missing pieces of siding. At the Committee meeting, staff will provide recommendations related to the repair and/or demolition of the grain storage building. The equipment storage area contains numerous abandoned pieces of farming machinery and other debris. Staff is currently investigating options for salvaging or disposing of this equipment.

Miscellaneous Structures on Lovekin Boulevard:

One-eighth of a mile north of the former Johnson home on Lovekin Boulevard are two large hay barn structures. These structures were built within the last ten years and are in very good condition. North of the hay barns on Lovekin Boulevard is an area that contains an abandoned railroad building that has been converted to a pool house, an empty swimming pool and a detached above-ground spa

area. Staff is investigating options for the removal of these structures. This is also the area where the former owner maintained a trailer and a camper, both have been removed from the property. Remaining near the former trailer site is a small metal pressure tank for water storage, a domestic well and an electric service. Staff plans to contract with a local well company to abandon the well and will coordinate with Southern California Edison to remove the electric service.

Life Estate Residence on Intake Boulevard:

The parcels located on Williams Avenue and west of Intake Boulevard include a five-acre farm compound, formerly occupied under a "life estate". The property includes a single-family detached residence, livestock corrals, miscellaneous outbuildings, drum containers and a domestic well. The residence appears to be in fair condition. The surrounding corrals and outbuildings are in poor condition. There was miscellaneous equipment and other debris scattered around the site. Staff is investigating options for salvaging or safely disposing of this equipment and debris. At the meeting, staff will provide the Committee preliminary recommendations associated with the corrals, well and outbuildings.

FISCAL IMPACTS:

Staff is in the process of soliciting bids for the repair and/or demolition of the structures that have been identified as being in poor condition on the Williams Ranch. Once the bids have been evaluated, staff will return to Committee with final costs and recommendations.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Map of Williams Ranch Points of Interest

Exhibit "A"

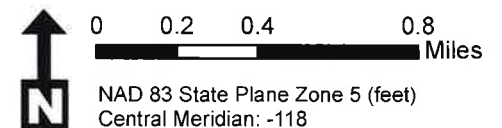


Location Map: Williams Ranch Points of Interest

MAP FEATURES

-  Points of Interest
-  Major Roads
-  Williams Ranch Parcels

This figure shows the location of selected points of interest on IRWD's recently acquired Williams Ranch property, located within the Palo Verde Irrigation District in Blythe, CA.



April 20, 2017

Prepared by: K. Welch

Submitted by: F. Sanchez/P. Weghorst

Approved by: Paul Cook 

SUPPLY RELIABILITY PROGRAMS COMMITTEE

AMENDMENT NO. 1 TO STOCKDALE INTEGRATED BANKING PROJECT OPERATING AGREEMENT

SUMMARY:

Rosedale-Rio Bravo Water Storage District and IRWD are jointly developing the Stockdale Integrated Water Banking Project in accordance with the Agreement for a Water Banking, Recovery and Exchange Program for the Stockdale West and Stockdale East Properties (Operating Agreement). IRWD is currently constructing recovery facilities on the Stockdale West property including connections to the Cross Valley Canal (CVC). In August 2016, the Board approved terms for and execution of an amendment to the Operating Agreement that would facilitate IRWD's purchase of one-third of the capacity in the Rosedale CVC Return Pipeline (Return Pipeline). The amendment has been prepared and expanded in scope to also provide for reimbursement of costs assessed to Rosedale by the Kern County Water Agency (KCWA) that are attributable to the construction of the CVC connections at the Stockdale West property. Staff recommends that the Committee authorize staff and legal counsel to work with Rosedale to finalize Amendment No. 1 to the Operating Agreement and to present the amendment for consideration by the full Board of Directors.

BACKGROUND:

In 2010, IRWD purchased the Stockdale West property located west of the Strand Ranch to expand IRWD's water banking projects. In 2015, Rosedale certified and IRWD approved the Stockdale Integrated Banking Project Final Environmental Impact Report (EIR). The EIR provides for the development of the IRWD Stockdale West and the Rosedale Stockdale East properties to allow both agencies to utilize available storage in the Kern River Fan Area through the construction and operation of recharge and recovery facilities. The project will integrate the developed capacities and facilities into the Rosedale Conjunctive Use Program and will provide dry year water supply reliability for IRWD customers.

Project Operating Agreement:

On February 4, 2016, IRWD and Rosedale executed the Operating Agreement that specifies terms for the development and operation of a long-term water banking and exchange program on the Stockdale West and East properties. The Operating Agreement provides for IRWD and Rosedale to each pay for the design and construction of water banking facilities on their own properties.

Construction of Facilities:

IRWD constructed recharge facilities on the Stockdale West Ranch in 2010 and these facilities are fully operational. Currently, IRWD is constructing recovery facilities on the Stockdale West property including three wells, pipelines and connections to the CVC. The connections are

comprised of a turn-out from the CVC to the recharge basins that is shown on Exhibit “A” and a pipeline connection from the wells on the project to the Return Pipeline that is shown in Exhibit “B”. Construction of the connection to the Return Pipeline is now complete and was facilitated through a license agreement where IRWD’s future use of the Return Pipeline is subject to execution of an amendment to the Operating Agreement that will facilitate IRWD purchasing one-third of the reserved capacity in the Return Pipeline.

Previous Approval of Capacity Purchase:

In August 2016, the Board approved terms for IRWD to acquire one-third of the capacity in the Return Pipeline for \$201,000 and authorized staff to work with Rosedale to develop and execute an amendment to the Operating Agreement to purchase the capacity rights in accordance with the approved terms. Since that approval, staff has identified a need to expand the amendment to allow IRWD to reimburse Rosedale for costs associated with the construction of the CVC turn-out to the Stockdale West Ranch.

Reimbursement of Costs to Rosedale:

Rosedale is a member agency of KCWA, which owns and operates the CVC and approves construction of all CVC connections. During the design process for the Stockdale Recovery Facilities Project, Rosedale, on behalf of IRWD, entered into an agreement with KCWA for the construction of the Stockdale West CVC turnout structure. Among other things, the agreement between Rosedale and KCWA required that Rosedale pay all costs incurred by KCWA related to the Stockdale West CVC turnout. Subsequently, it was determined that the Operating Agreement did not specifically provide for IRWD to reimburse Rosedale for KCWA’s costs with respect to the proposed Stockdale West CVC turn-out. A Memorandum of Understanding (MOU) was developed as a result of this determination.

Memorandum of Understanding:

In October 2016, IRWD and Rosedale executed an MOU that established that it was the parties’ intent that the “Stockdale West Facilities,” as defined in the Operating Agreement, include the Stockdale West CVC turn-out and turn-in structures. The MOU facilitated the parties working together in the preparation of an amendment to the Operating Agreement that would incorporate the missing language.

Amendment No. 1 to Operating Agreement:

IRWD’s legal counsel prepared Amendment No. 1 to the Operating Agreement, included as Exhibit “C”, that memorializes the reimbursement terms established in the MOU and that provides for IRWD’s acquisition of capacity rights in the Return Pipeline. Specifically, the amendment modifies the Operating Agreement to allow for:

- IRWD capital cost participation in the amount of \$201,000 to purchase one-third of the capacity in the Rosedale CVC Return Pipeline, and

- IRWD reimbursement to Rosedale for IRWD's share of costs associated with the construction of the CVC turn-out to the Stockdale West Ranch recharge facilities.

The proposed Amendment No. 1 is currently under review by Rosedale and its legal counsel. At the Committee meeting, staff will present any comments or requests for revisions received from Rosedale. Staff recommends that the Committee authorize staff and legal counsel to work with Rosedale to finalize Amendment No. 1 and to present the amendment for consideration by the full Board of Directors.

FISCAL IMPACTS:

Project 03766 is included in the FY 2016-17 Capital Budget to provide for the construction of the Stockdale West Recovery Facilities. Sufficient funds exist to acquire capacity rights in the Rosedale CVC Return Pipeline for \$201,000 as well as to reimburse Rosedale for costs assessed to Rosedale by KCWA that are attributable to the construction of the Stockdale West turn-out.

ENVIRONMENTAL COMPLIANCE:

This project is subject to the California Environmental Quality Act (CEQA). In compliance with CEQA, the California Public Resources Code Section 21000 et. seq., and per the California CEQA Guidelines in the Code of Regulations, Title 14, Division 6, Chapter 3, Rosedale as lead agency, filed a Notice of Determination with the County of Kern on December 8, 2015, and with the California State Clearinghouse on December 9, 2015, for the Stockdale Integrated Banking Project Final Environmental Impact Report. IRWD, as a Responsible Agency, filed a Notice of Determination with the County of Orange on December 14, 2015, with the California State Clearinghouse on December 15, 2015, and with the County of Kern on December 21, 2015.

RECOMMENDATION:

That the Committee authorize staff and legal counsel to work with Rosedale-Rio Bravo Storage District to finalize Amendment No. 1 to the Agreement for a Water Banking, Recovery and Exchange Program for the Stockdale West and Stockdale East Properties and to present the amendment for consideration by the full Board of Directors.

LIST OF EXHIBITS:

- Exhibit "A" – Cross Valley Canal Turn-out from the Stockdale West Ranch
- Exhibit "B" – Connection to the Rosedale Cross Valley Canal Return Pipeline
- Exhibit "C" – Amendment No. 1 to the Agreement for a Water Banking, Recovery and Exchange Program for the Stockdale West and Stockdale East properties

Cross Valley Canal Turnout to Stockdale West Ranch



Rosedale Cross Valley Canal Return Pipeline

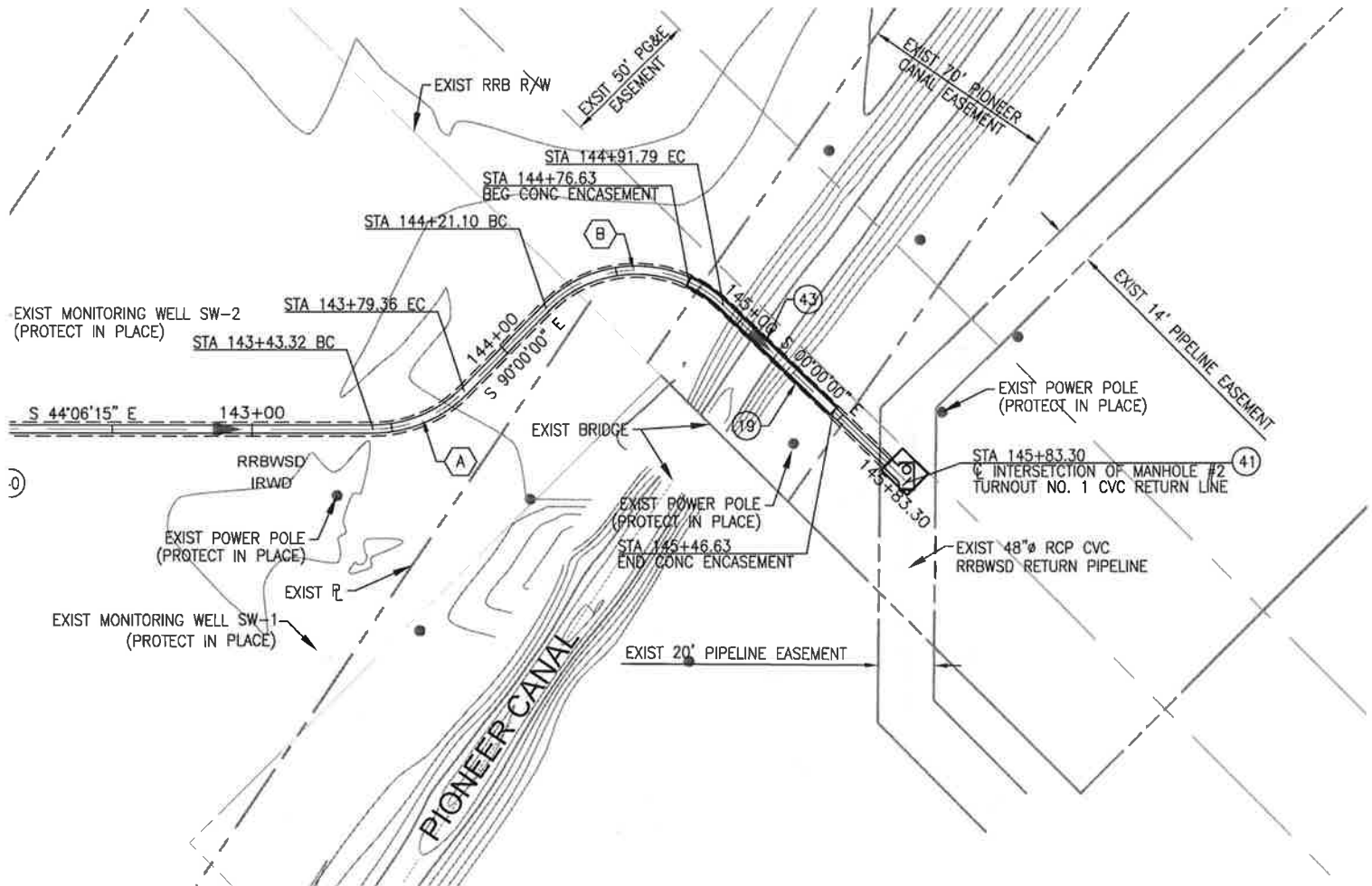


EXHIBIT "C"

AMENDMENT NO. 1

to

AGREEMENT

ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT
AND
IRVINE RANCH WATER DISTRICT
FOR A
WATER BANKING AND EXCHANGE PROGRAM
[Stockdale West and Stockdale East Properties]

This Amendment ("Amendment") is executed by the Parties on _____, 2016, to amend the below-recited agreement (Water Banking Agreement).

RECITALS:

A. The Parties entered into the agreement between IRWD and Rosedale entitled *Agreement – Rosedale-Rio Bravo Water Storage District and Irvine Ranch Water District for a Water Banking, Recovery and Exchange Program (Stockdale West and Stockdale East Properties)*, including any mutually agreeable extensions, with an effective date of February 4, 2016 ("Water Banking Agreement"). Capitalized terms used herein shall have the meanings ascribed hereto in the Water Banking Agreement.

B. In connection with the use of the Stockdale West Property under the Water Banking Agreement, the parties have agreed to enter into a "Pipeline License Agreement For Connection Into And Use Of District's CVC Turnout No. 1 CVC Return Line Kern County APN: 160-020-04" (the "License").

C. Rosedale-Rio Bravo Water Storage District ("RRB") constructed the Return Line, defined below, as described in the Project EIR, without cost participation by Irvine Ranch Water District ("IRWD"). The Return Line is depicted in Exhibit "A" hereto.

D. Prior to the effectiveness of the License, the Parties desire to set forth terms for IRWD's capital cost reimbursement for, and priority rights in, the Return Line, proportional to the capacity therein that will be allocated to IRWD for use with IRWD's wells on its Stockdale West property and future approved IRWD projects.

E. The Parties have determined that as payment for its proportional share of RRB's capital cost of the Return Pipeline, IRWD shall pay to RRB the amount \$201,000, agreed by the Parties to represent one-third of RRB's capital cost for the design and construction of the Return Pipeline.

F. The Parties intend that upon payment of the proportional share of the Return Pipeline to RRB, IRWD shall receive first priority to the use of one-third of the Return Pipeline's permitted 80 cubic feet per second ("cfs") of capacity (~26.6 cfs) and one-third of the Return Pipeline's unpermitted 120 cfs of capacity (~40 cfs; total of 33 1/3 % or 66.6 cfs of permitted and unpermitted) for IRWD's use in conveying water from IRWD's Stockdale West return facilities and future approved IRWD projects, subject to permitting as to the use of currently unpermitted capacity.

G. IRWD is installing the CVC Connections, defined herein, as part of the Stockdale West project. In connection with the installation of the CVC Connections, RRB has or will incur KCWA charges.

H. The Effective date of this Amendment ("Effective Date") shall be the date it is executed by the second Party to execute it.

AMENDMENT

1. The Water Banking Agreement is amended as provided below, for the purpose of (1) setting forth the capital cost participation, priority use rights and operation of the Return Line as part of the Stockdale West Facilities and (2) setting forth IRWD's obligation to pay and reimburse RRB for IRWD's share of all costs, including KCWA charges, attributable to the construction of the CVC Connections as part of the Stockdale West Facilities. Provisions of the Water Banking Agreement will apply to the Return Line and the CVC Connections except as provided otherwise in this Amendment No. 1.
2. Subparagraph 1.B of the Water Banking Agreement is amended to read as follows:

B. Stockdale West Property. The Stockdale West property will be developed for recharge by constructing recharge basins of varying shape, size, and depth, with berms, in, over and upon up to approximately 265 acres (or 82%) of the Stockdale West property. The Stockdale West Property will be developed for recovery by constructing wells the number and location of which will be determined based on modeling of subsurface conditions at the site. The facilities constructed on the Stockdale West property are herein referred to as "Stockdale West Facilities". The Stockdale West Facilities shall include, but are not limited to, the CVC Turnout located approximately 125 feet east of the existing RRB Turnout No. 1 in Pool 3 of the CVC in the northern portion of the Strand Ranch Integrated Banking Project, and the CVC Turn-in located primarily on the Stockdale West property and connecting to the Return Line, defined

below (collectively, the CVC Turnout and CVC Turn-in are defined as the “CVC Connections”).

3. Subparagraph 1.E is added to the Water Banking Agreement, to read as follows:

E. Return Line. The Project Facilities and the Stockdale West Facilities will also include IRWD’s connection to and participation in a one third share of the permitted and unpermitted (by KCWA) capacity (66 ⅔ cfs of 200 cfs) of the CVC Turnout No. 1 CVC Return Line (the “Return Line”). On or prior to the Effective Date of this Amendment, IRWD shall pay to Rosedale the amount of \$201,000, agreed by the parties to represent one-third of Rosedale’s capital cost for the design and construction of the Return Line.

4. Subparagraph 2.A.(1) is amended to read as follows:

A. Priority Rights/Unused Capacity. Except as provided in Section 2.B. below:

(1) IRWD shall have the priority right to use all recharge and recovery capacity of the Stockdale West Facilities for Project purposes. This shall include the IRWD one-third share of the permitted and unpermitted (by KCWA) capacity of RRB’s Return Line (66 ⅔ cfs of 200 cfs). More particularly, IRWD shall have a priority right to the use of one-third of the Return Pipeline’s permitted 80 cubic feet per second (“cfs”) of capacity (~26.6 cfs) and one-third of the Return Pipeline’s unpermitted 120 cfs of capacity (~40 cfs). RRB shall have the right to use any and all recharge and recovery capacity of the Stockdale West Facilities, including the Return Line, when not being used by IRWD. It is understood that rights to use capacity not permitted by KCWA will not be effective until such permitting occurs.

5. Subparagraph 4.C is added to the Water Banking Agreement, to read as follows:

C. Reimbursement of KCWA Charges Relating to Construction of CVC Connections. IRWD agrees to pay and reimburse RRB for IRWD’s share of all costs, including KCWA charges, attributable to the construction of the CVC Connections, including costs and liability incurred by RRB pursuant to the Agreement Between the Kern County Water Agency and Rosedale-Rio Bravo Water Storage District For Construction, Operation, and Maintenance of Stockdale West Turnout, a Permanent Turnout Within the Cross Valley Canal Right Of Way (CVC # 15001), dated December 10, 2015.

6. The License shall become effective on the Effective Date.

7. IRWD shall pay OME&R costs with respect to its use of the Return Line, as provided in Section 9.E of Water Banking Agreement. IRWD shall not be charged for any additional administrative or other costs with respect to the Return Line, except as expressly provided in this Amendment No. 1.

IN WITNESS WHEREOF, each Party has executed this Agreement on the date set forth below opposite its signature, said Agreement to be effective on the later of the two dates, i.e., when both Parties have signed this Agreement (the "Effective Date").

Date: _____

IRVINE RANCH WATER DISTRICT

By: _____

Title: _____

Date: _____

ROSEDALE-RIO BRAVO WATER
STORAGE DISTRICT

By: _____

By: _____

C-5

