

Fiscal Year 2019-20
Annual Report for the Chino Basin Dry Year Yield Program Operating Committee

The following presents the Annual Report and Reconciliation for the Chino Basin Dry Year Yield Program (Chino DYY) Operating Committee for period July 1, 2019 to June 30, 2020. This document is submitted in accordance with the Operating Committee provisions outlined in Section VI.4 of “Agreement No. 49960 Groundwater Storage Program Funding Agreement the Metropolitan Water District of Southern California, Inland Empire Utilities Agency, Three Valleys Municipal Water District and the Chino Basin Watermaster” dated June 11, 2003..

Operating Committee Members

The Operating Committee is comprised of 5 members, two appointed by Metropolitan and one each by IEUA, TVMWD and Watermaster. The Operating Committee members for 2019-20 included: Laurie Hardy-Jenkins, Amy Dorado, Matthew Hacker, Matthew Litchfield, Elizabeth Hurst, and Peter Kavounas.

To simplify the reconciliation, the Operating Committee agreed to adjust the process for the calculation of the power and O&M credits. Beginning July 1, 2020, all agencies will receive the same credit for voluntary buyback or called water. The credit will be updated every July 1 based upon the increase in CPI (Los Angeles-Long Beach-Anaheim urban area). This change is documented in a memo provided in Attachment A.

Amounts of Water Stored and Extracted during Fiscal Year 2019-20

A net total of 17,419.5 acre-feet was stored in the Chino DYY during fiscal year 2019-20 (see **Table 1**). Evaporation and operational losses due to spreading operations are also shown on Table 1. A total of -17,394.8 acre-feet was extracted during fiscal year 2019-20. In accordance with the agreement, 32.2 acre-feet of basin losses were assessed on June 30, 2020, as shown in **Table 2**. As of June 30, 2020, the program balance was 45,961 acre-ft.

Table 1
Summary of Monthly Deliveries to and Extraction from Storage

Type	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Spreading	4314	4803.9	2218.6	1842.5	1223.5	1176.3	491.7	0	0	0	0	0
Injection	457.8	434.2	403.3	277.3	267.6	211.1	0	0	0	0	0	0
In-lieu	0	0	0	0	0	0	0	0	0	0	0	0
ET Losses	-181.2	-201.8	-144.5	-105.8	-44.0	-17.6	-7.4	0	0	0	0	-0
Voluntary Buyback	2421.1	2861.4	-2695	2922.3	-1995	-500	0	0	0	0	-1500	-2500

Annual Operating Plan for Fiscal Year 2020-21

The Operating Plan for 2020-2021 is provided in **Table 3**. It is not anticipated that storage will continue into 2021. If conditions change, then a new operating plan will be put together. Cucamonga Valley MWD and Fontana Water Company elected to exercise the voluntary buyout provision in 2020-21. They expect to purchase a total of 22,500 acre-feet in 2020-21.

Maintenance of Additional Pumping Capacity

According to Section VII.B of the agreement, IEUA and Watermaster shall certify to the Operating

Committee that there will always exist excess operable production capacity in the Chino Basin of at least an annual extraction of 33,000 acre-feet. The Operating Committee confirms that the operating parties maintained excess capacity to support additional pumping of 33,000 acre-feet.

Table 2
Summary Water Stored and Extracted During Report Period

Category	Actual (AF)
Balance (7/1/2019)	45968.5
Storage	
In-lieu	0.0
Injection	2051.3
Spreading	16,070.5
Total Storage	18,121.8
Extraction	-17,394.8
ET losses	-702.3
Basin losses	-32.2
Balance (6/30/2020)	45,961.0

Table 3
Operating Plan for Fiscal Year 2020-21

Type	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Spreading	0	0	0	0	0	0	0	0	0	0	0	0
Injection	0	0	0	0	0	0	0	0	0	0	0	0
In-lieu	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0
Voluntary Extraction	-2700	-2500	-2500	-5000	0	-3500	0	0	0	-1000	-2600	-2700

Reconciliation of Power and O&M costs

The Operating Committee agreed to reimburse Monte Vista Water District for their costs incurred for all injection between July 1, 2017 and December 31, 2019. A summary of the costs reimbursed via the O&M credit and the amount owed is shown in **Table 4**.

Table 4
Summary of Monte Vista Credit for Injection

Monte Vista Calculations	WFA Unit Cost	AF Injected	Amount Due	Amount Pumped by CVWD	Credit Given for Monte Vista	Amount Reimbursed	Amount Owed	Additional Credit for 2019/20
2017/18	\$116.76	2,495.00	\$291,316.20	0.00	\$0.00	\$253,442.24	\$37,873.96	\$2.18
2019/20 (includes June 2019)	\$115.62	2,440.70	\$282,193.73	17,394.80	\$14.57	\$0.00	\$282,193.73	\$16.22
Total		4,935.70	\$573,509.93	17,394.80	14.57	253,442.24	320,067.70	\$18.40

The Operating Committee also agreed to reimburse IEUA for costs incurred for the use of OC-59 as part of the O&M credit. A summary of the costs incurred for OC-59 is provided in **Table 5**.

Table 5 – Summary of OC-59 credit

Year	Total Spread (AF)	Total Spread via OC-59 (AF)	Unit Cost at OC-59 (\$/AF)	Amount Paid (\$)	Amount Due (\$)	Additional Credit for 2019/20
2017-18	39,410.3	24,186.7	\$2	\$34,789.60	\$ 33,188.60	\$1.91
2019-20	20,484	9,802.4	\$2			

Table 6 provides a month-by-month comparison of the O&M credit between the original credit given and the reconciled credit. The power credit remains unchanged. The original O&M and power credit was \$315.24/AF. The reconciled O&M and power credit is \$335.55/AF, an increase of \$20.31 in the O&M credit.

**Table 6
Comparison of Original O&M credit and the Reconciled O&M credit.**

Item	2019						2020	
	Jul	Aug	Sep	Oct	Nov	Dec	May	Jun
Voluntary Buyback (AF)	2421.1	2861.4	2695	2922.3	1995	500	1500	2500
Original O&M credit (\$/AF)	\$79.44	\$79.44	\$79.44	\$79.44	\$79.44	\$79.44	\$79.44	\$79.44
Reconciled O&M credit (\$/AF)	\$99.75	\$99.75	\$99.75	\$99.75	\$99.75	\$99.75	\$99.75	\$99.75
Difference (\$/AF)	\$20.31	\$20.31	\$20.31	\$20.31	\$20.31	\$20.31	\$20.31	\$20.31

Attachment A



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: September 8, 2020
To: Chino DYY Operating Committee
From: Matthew Hacker, Operating Committee Member
Subject: O&M and power credits

The purpose of this memorandum is to document the modified process for determining the annual O&M and power credits for the Chino DYY. Per Section VI.4 of the Agreement, the process for estimating the annual O&M and power credits is determined by the Operating Committee. The Operating Committee consists of two members from Metropolitan (currently Matt Hacker and Amy Dorado) and one member from IEUA (currently Liz Hurst), Three Valleys (currently Ben Peralta), and Watermaster (currently Peter Kavounas).

The O&M and power credits were calculated initially based upon a study performed by Black and Veatch in 2008. Each sub-agency had a different power rate based upon their costs determined by Black and Veatch. Since 2008, the power rate of each sub-agency has been increased by the average variable rate of the agricultural and pumping tariff schedules of Southern California Edison (Edison). The Edison rates have significant variability from year to year.

Based upon the 2008 Black and Veatch study, the O&M rate was fixed for all sub-agencies. Section VI.4 of the Agreement states that the Operating Committee will review the O&M rate every five years. Instead, the Operating Committee decided to increase the O&M rate by the Los Angeles-Long Beach-Anaheim Urban CPI every year. In 2018, the Operating Committee elected to increase the O&M rate to reflect equity with other CUP programs.

Metropolitan has historically reimbursed IEUA and Three Valleys based upon a calculated melded O&M and power rate based upon the amount of water that the sub-agencies pumped. This process created confusion for both Metropolitan and IEUA and required significant staff time for both agencies.

Therefore, Metropolitan and IEUA have agreed to

- Fix the power and O&M rate to \$374/AF for all voluntary buyback production by IEUA sub-agencies for FY 2020/21 (\$306/AF for power and \$66/AF for O&M, and \$2/AF for IEUA's OC-59 costs)
- Increase the power and O&M rate by the change in the April Los Angeles-Long Beach-Anaheim Urban CPI of each year thereafter (rounded to the nearest \$/AF)
- Other credits or reimbursements would be evaluated on a case-by-case basis if the Operating Committee decides that they are necessary

This updated process does not apply to Three Valleys or Pomona at this time because Pomona has not elected to participate in the voluntary buyback program. In the event that Three Valleys, Pomona, and Metropolitan agree to change the O&M and power credits process for Pomona, this memorandum will be updated.

If you have any questions, please contact me at mhacker@mwdh2o.com or (213) 217-6756.

Matthew Hacker, P.G.