

**El Dorado Water & Power Authority
Board of Directors Presentation**

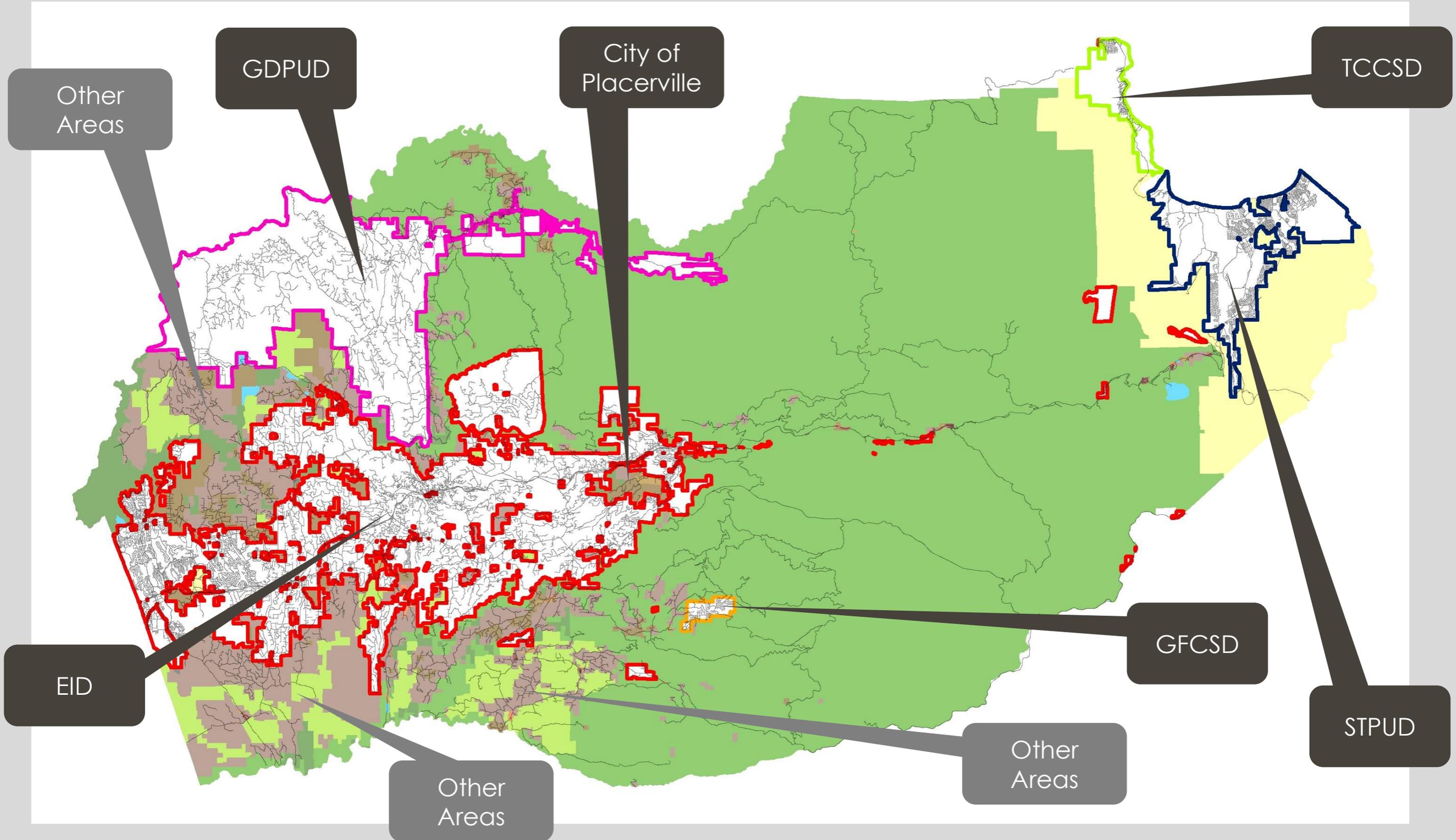
El Dorado Water Reliability Project

NOVEMBER 13, 2018

Background



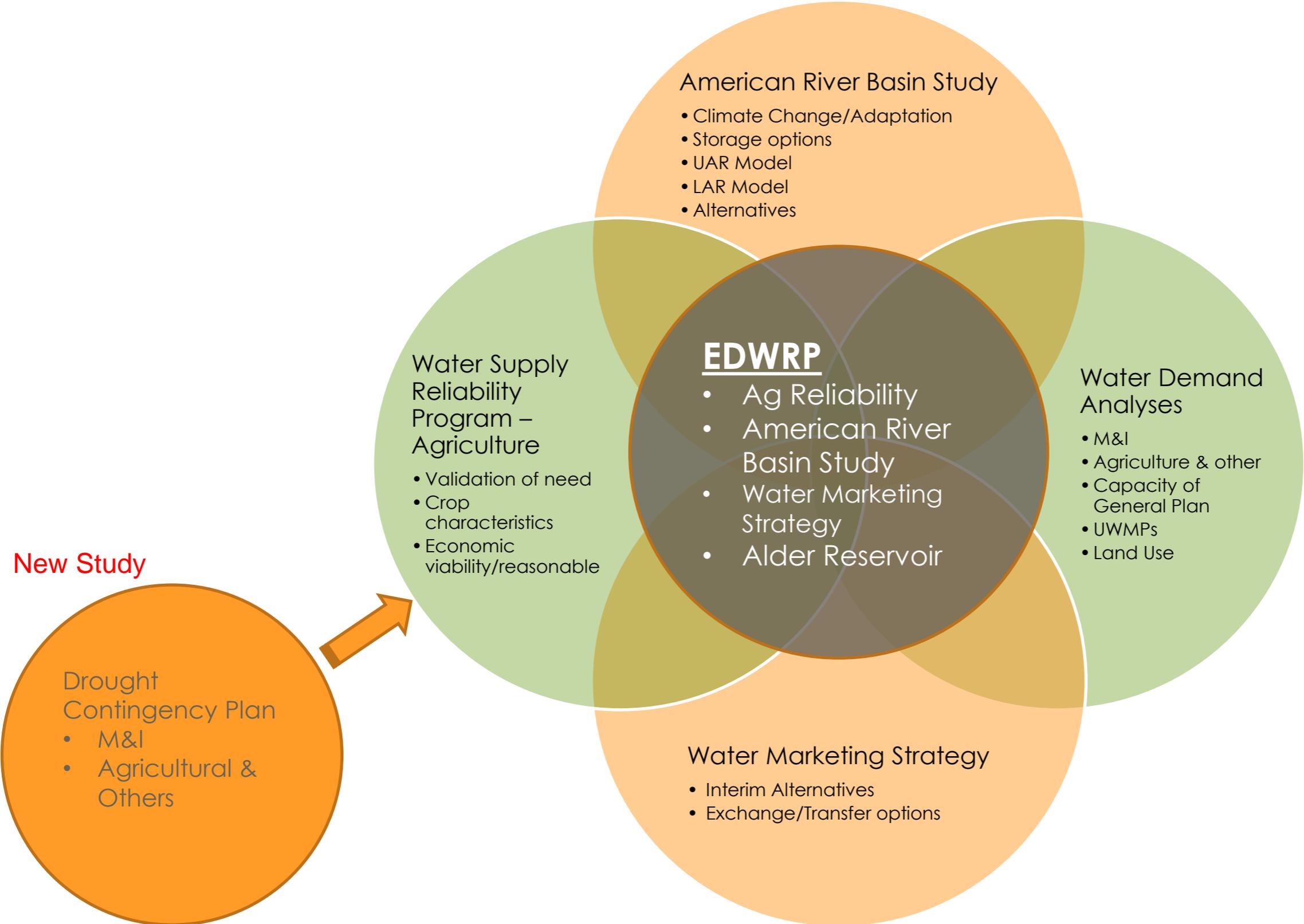
EDC Land Use and Existing Water Purveyor Boundaries



EDWRP - PROJECT OVERVIEW

- **1927 PRIORITY WATER RIGHT**
 - Extension of the Upper American River Project (SMUD)
 - Consistent with provisions in the Cooperative Agreement Collaboration with the City of Sacramento
 - SacCity also uses SMUD facilities in diverting, rediverting, and storing their appropriated water rights.
- **STATE BOARD APPLICATION - 40,000 AFY American River**
 - Partial Assignment of existing water right (SMUD)
- **USE WATER AS A REGIONAL ASSET FOR MULTIPLE BENEFITS :**
 - El Dorado County future M&I + Ag demands
 - Interim Benefits:
 - LAR environmental water
 - LAR basin groundwater banking / conjunctive use
 - Water Transfers (Interim or regional)

EDWRP Benefits from County & Regional Studies



CEQA PROCESS TIMELINE

CEQA Process and EIR Timeline



GOVERNANCE OF EDWPA



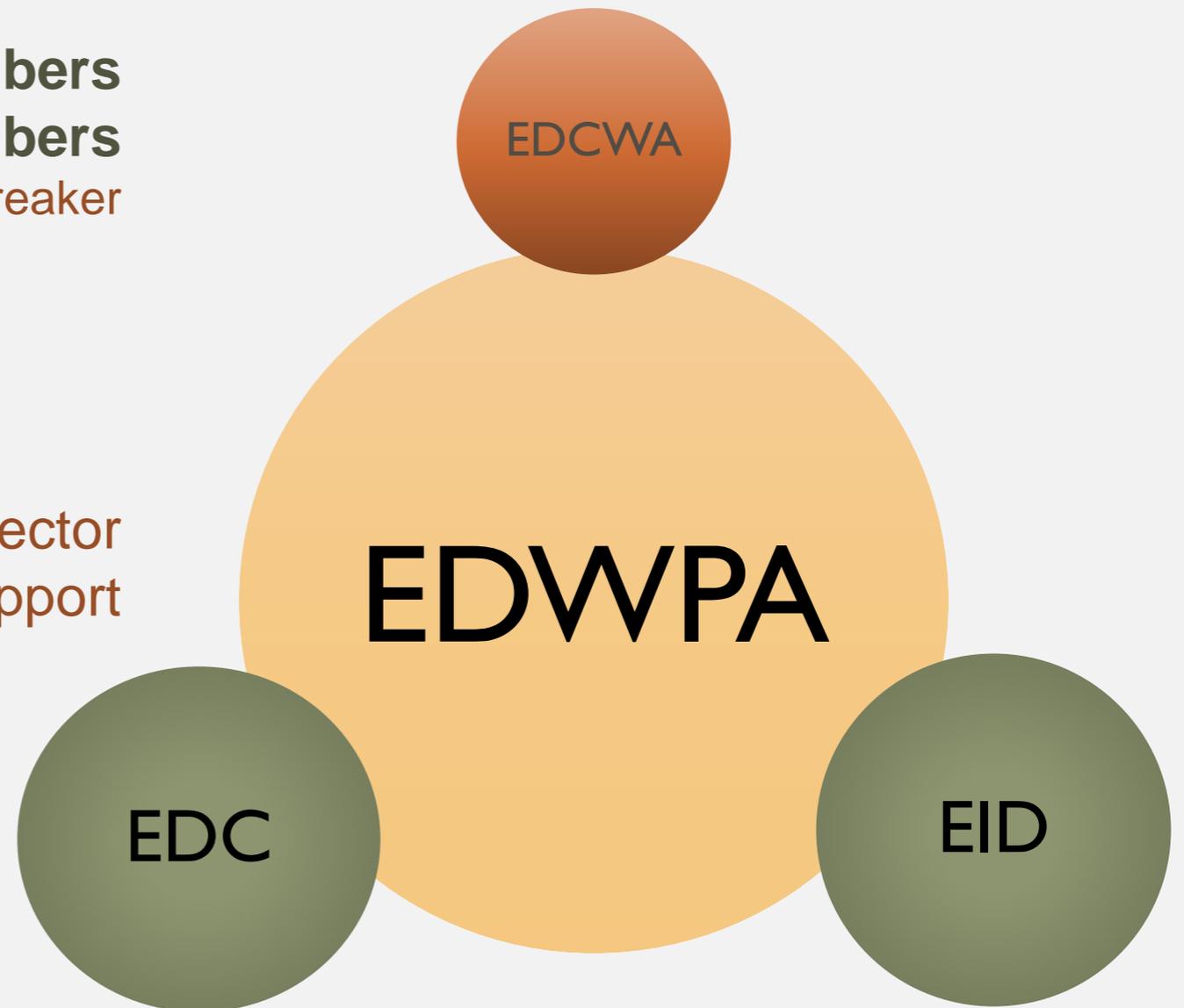
GOVERNANCE OF EDWPA

MEMBERS:

- El Dorado County 5 Members
- El Dorado Irrigation District 5 Members
- EDCWA (Non-Voting, STPUD Tiebreaker)

DESIGNATED REPRESENTATIVE

- EDCWA Executive Director
- EDCWA Staff Administrative Support



Agreements

- **2004 JPA Formation**
- 2005 1st Amendment to the **JPA**
- 2008 2st Amendment to the **JPA**

- **2005 SMUD Agreement***

- **2005 Intra-County Coordination Agreement**
- 2007 Supplemental Water Acquisition Project Cost Share Agreement (EDWRP)
- 2009 (March) Transition Agreement (EDWRP)
- 2009 (Sept) Amendment to the Cost Share Agreement (EDWRP)

* Supersedes 1957, 1961 & 1993 Agreements

JPA Agreements

- **2004 JPA Formation**

- EID, GDPUD, EDC & EDCWA
 - Requires affirmative votes of 8 necessary for action
 - Designates EDCWA GM as Executive Director & EDCWA to provide staffing for JPA
 - Establishes County Auditor as Finance Officer and Auditor for the JPA
 - Establishes a 3 year terms for the JPA
-

- **2005/2008 JPA Amendment**

- 2005 First Amendment

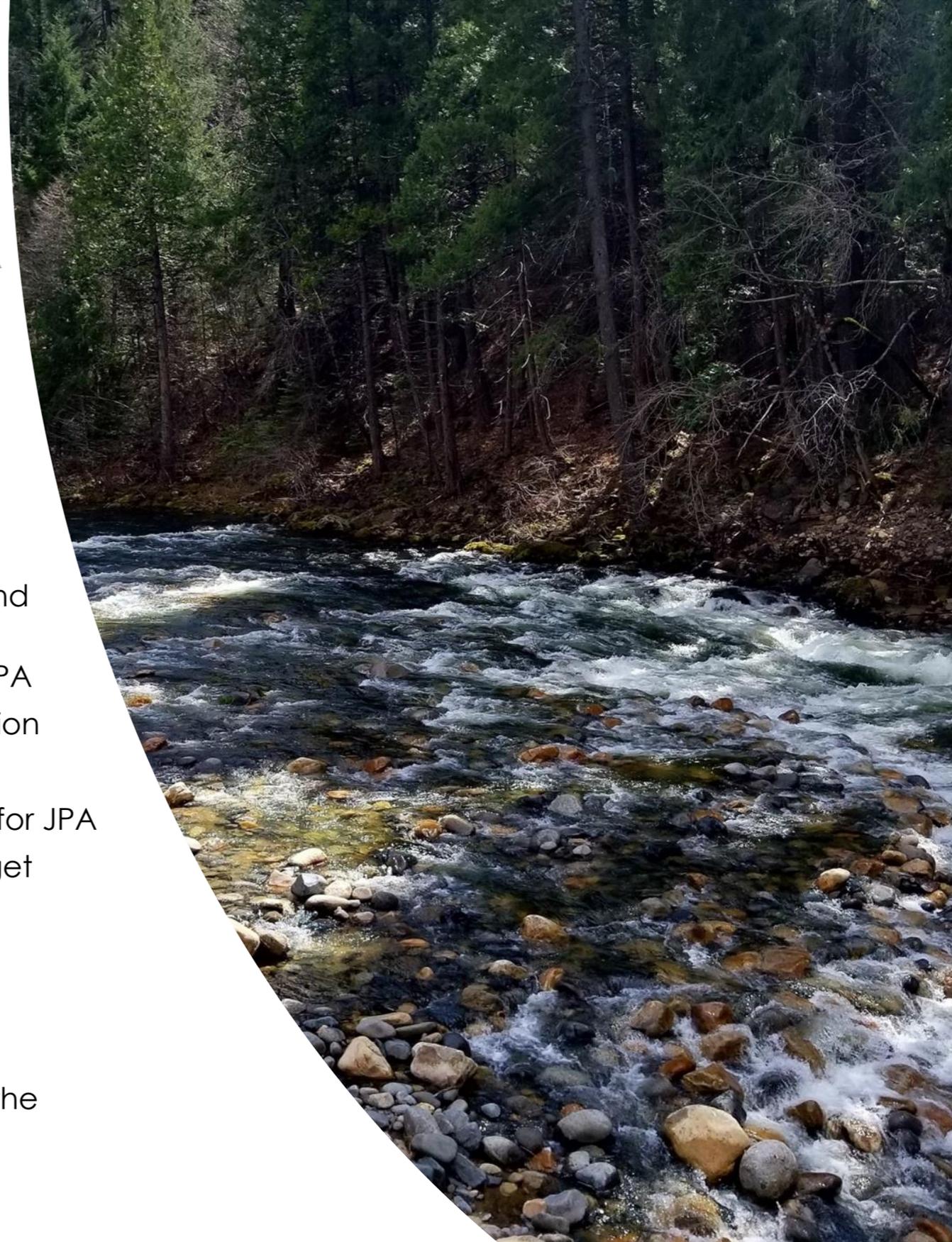
- Increased term as indefinite unless terminated as provided
- Clarifies elements of JPA agreement
- Established Power of Authority to file and prosecute applications and petitions to implement the Parties' rights in the UARP
- Clarifies conditions for withdrawal from JPA and winding up of JPA
- Requirement for affirmative votes of 6 necessary for budget adoption

- 2008 Second Amendment

- Designated Executive Director of EDWPA as Treasurer and Auditor for JPA
- Deletes requirement for a affirmative votes of 8 necessary for budget adoption

- **2009 (March) Transition Agreement**

- GDPUD, EDC, EID & EDCWA
- GDPUD withdraws and is released from rights and obligations of the Coordination & Costs Share Agreements
- GDPUD remains a party to the Cooperation Agreement



SMUD Agreement



2005 Nov 22 - “Cooperation Agreement”

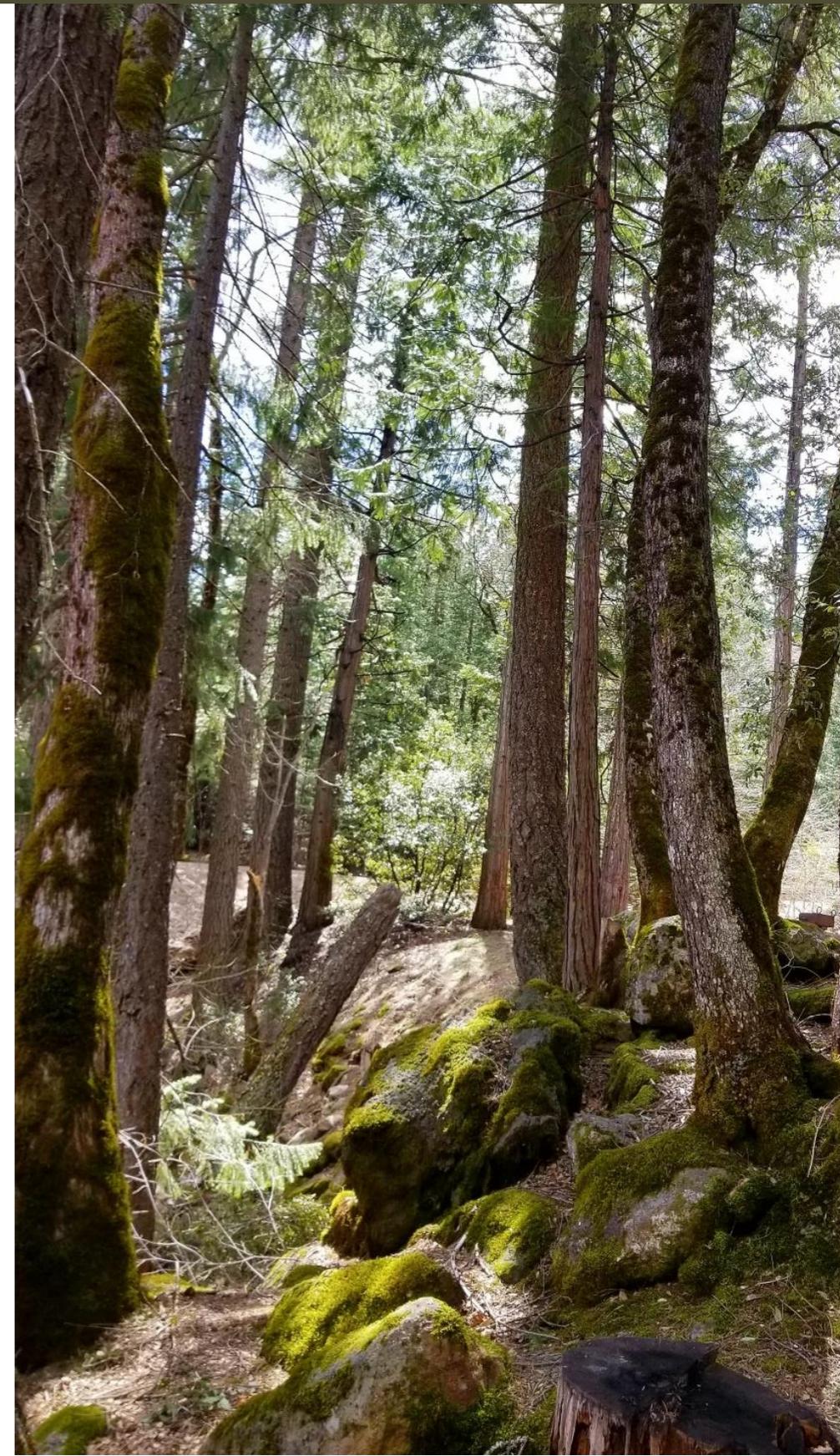
- “SMUD Cooperation Agreement”
- Supersedes previous agreements
- Establishes “Designated Representative” of El Dorado
- EDWPA, EID, EDCWA, GDPUD & EDC approached SMUD
- Recognize the “imprecision” of the previous agreements
- SMUD’s original FERC license for the UARP was due to expire in 2007
 - SMUD filed for renewal in 2005
 - ***Delineates Delivery & Storage by “El Dorado Parties”***
 - EDC to pursue Surface Water Supply
 - City of Sacramento or
 - Payments to EDC
 - SMUD to pursue Iowa Hill Reservoir
 - ***Payment to EDC Parties for impacts***

El Dorado Designated Representative: Responsibilities

19.1	El Dorado Designated Representative. The El Dorado Parties agreed that the El Dorado Designated Representative will be the “sole and exclusive Party” for the following purposes:
19.1.1.	Water Supply Acquisition. Process of acquiring the water rights and water supplies to be stored, and diverted through and from the UARP
19.1.2	Notices. Representative to provide and receive all notices.
19.1.3	Scheduling of Deliveries. Comply with all forecasting, scheduling and notice requirements for each El Dorado Party the quantity of water delivery being forecasted.
19.1.4	Notification of Interconnection Construction Agreement. Negotiations of the Interconnection Construction Agreement.
19.1.5	Construction, Maintenance and Operation of Interconnection Facilities. All matters related to the construction, maintenance and operations of the interconnection facilities.
19.1.6	Negotiation of and Communications under the Data Interchange Agreement . Negotiation of and communications under the DI Agreement.
19.1.7	Installation, Maintenance and Calibration of White Rock Meter. Installation, maintenance and calibration of the White Rock Meter.
19.1.8	Reporting of Deliveries - Reporting requirements.
19.1.9	Re-opening of this Agreement. Negotiations pursuant to a re-opener.
19.1.10	Resolution of Disputes under This Agreement. Any proceedings in order to resolve disputes

Implementation Agreements

- **2005 Nov 22 - “Coordination Agreement”**
 - El Dorado Intra-County Coordination Agreement or “ICCA”
 - Allocates the rights to the use of the UARP Facilities
 - Allocates obligations to acquire the consumptive water supply rights
 - Reaffirms EDWPA as designated representative
 - Reaffirms EDCWA as Designated Representative if EDWPA ceases to exist
 - Delegates coordination (as *agents* to EDWPA) of related actions through EDWPA
 - Terminated if the diversion of water through the UARP is not secured within 10 years of the Effective Date ((11/05/2005)
- **2007 Supplemental Water Acquisition Project Cost Share Agreement**
 - Mechanism to sharing & funding the water supply and diversion from the UARP.
 - Based on the terms and provisions of the ICCA
- **2009 (Sept) Amendment to the Cost Share Agreement**
 - EDC, EID & EDCWA
 - Water that is acquired that is to be stored in the UARP and used as Carryover Storage (as defined in the Cooperation Agreement)
 - Price to be contributed only by EID to EDWPA at EDWPA's request.
 - Allows EID to make direct payments if entered into a agreement for such payment.



ICCA - Highlights

1. Allocations benefits for use of SMUD's UARP facilities

- a) GDPUD up to 10,000 AFA or to EID if GDPUD does not use
- b) Receive and make deliveries of Carryover storage up to 20,000 afa to 2025
- c) Receive and make deliveries of Carryover storage up to 30,000 afa after 2025
- d) EID allocated 100% of Carryover Storage as defined in SMUD Agreement

2. EDWPA (staff and counsel) reaffirmed as the El Dorado Designated Representative (EDDR) per Section 19.1 of Cooperation Agreement

- a) Reaffirms El Dorado County Water Agency as EDDR if EDWPA ceases to exist

3. Coordination with the EDDR, as agents, and with SMUD for

- a) Acquiring water supplies, diversion and use of the UARP facilities;
- b) Scheduling and reporting compliance;
- c) Serving as the EDDR's agent for the interconnection, data interchange;
- d) Serving as the EDDR's agent for the White Rock meter; and
- e) Reopening negotiation of SMUD Agreement

4. Termination of ICCA

- a) Under Condition Subsequent (Section 8), the ICCA is terminated by its own terms & no longer in effect
 - i. After 10 years, if water supply acquisition is not completed
 - ii. Expired in 2015

Comparison of Representation of SMUD Agreement & Expired ICCA



Section	Provision	Representative: SMUD Agreement	Representative: ICCA
19.1	<u>El Dorado Designated Representative (EDDR)</u> . The El Dorado Parties agreed that the EDDR will be the “sole and exclusive Party”	EDDR	EDDR
19.1.1.	<u>Water Supply Acquisition</u> . Process of acquiring the water rights and water supplies to be stored, and diverted through and from the UARP	EDDR	EDDR
19.1.2	<u>Notices</u> . Representative to provide and receive all notices.	EDDR	EDDR
19.1.3	<u>Scheduling of Deliveries</u> . Comply with all forecasting, scheduling and notice requirements for each El Dorado Party the quantity of water delivery being forecasted	EDDR	EDDR
19.1.4	<u>Notification of Interconnection Construction Agreement</u> . Negotiations of the Interconnection Construction Agreement.	EDDR	EID (as Agent)
19.1.5	<u>Construction, Maintenance and Operation of Interconnection Facilities</u> . All matters related to the construction, maintenance and operations of the interconnection facilities	EDDR	EID (as Agent)
19.1.6	<u>Negotiation of and Communications under the Data Interchange Agreement</u> . Negotiation of and communications under the DI Agreement.	EDDR	EID (as Agent)
19.1.7	<u>Installation, Maintenance and Calibration of White Rock Meter</u> . Installation, maintenance and calibration of the White Rock Meter	EDDR	EID (as Agent)
19.1.8	<u>Reporting of Deliveries</u> - Reporting requirements.	EDDR	EDDR
19.1.9	<u>Re-opening of this Agreement</u> . Negotiations pursuant to a re-opener.	EDDR	EDDR
19.1.10	<u>Resolution of Disputes under This Agreement</u> . Any proceedings in order to resolve disputes	EDDR	EDDR

ICCA – Section 8, Condition Subsequent

1. Termination of the ICCA

- a) By own terms & No longer in effect
- b) After its 10 years, if water supply acquisition is not completed
 - Expired in November, 2015

2. IMPACT: JPA and SMUD Agreement Remain

- 2004 JPA Formation
- 2005 SMUD Agreement*
- 2005 Intra-County Coordination Agreement
- 2005 1st Amendment to the JPA
- 2008 2st Amendment to the JPA
- 2007 Supplemental Water Acquisition Project Cost Share Agreement (EDWRP)
- 2009 (March) Transition Agreement (EDWRP)
- 2009 (Sept) Amendment to the Cost Share Agreement (EDWRP)

ICCA – Section 8, Condition Subsequent

2. IMPACT: JPA and SMUD Agreement Remain

- 2004 JPA Formation
- 2005 SMUD Agreement*
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- 2005 1st Amendment to the JPA
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- 2007 Supplemental Water Acquisition Project Cost Share Agreement (EDWRP)
- 2009 (March) Transition Agreement (EDWRP)
- 2009 (Sept) Amendment to the Cost Share Agreement (EDWRP)

Purpose

Governance

Governance

Governance

Allocation of Benefits (expired ICCA)

Allocation Description	Beneficiary
1. Use of SMUD's UARP facilities	Assigned to EID
a. Allocated GDPUD up to 10,000 AFA or to EID if GDPUD does not use	Assigned to EID (upon withdrawal of GDPUD)
2. Receive and make deliveries of Carryover storage up to 20,000 afa to 2025	Assigned to EID
a. Receive and make deliveries of Carryover storage up to 30,000 afa after 2025	Assigned to EID
3. Carryover Storage as defined in Cooperation Agreement	Exclusively to EID

Summary of Contributions for EDWRP

2007 Cost Share Agreement JPA Member Agency	Initial Contributions	Total Contributions To-date	Contribution Allocation (Original)	Contribution Allocation after GDPUD w/Drawl
El Dorado County	\$ 400,000	\$ 1,600,000	28.57%	32%
El Dorado County Water Agency	\$ 500,000	\$ 1,865,441	28.57%	32%
El Dorado Irrigation District	\$ 1,200,000	\$ 2,550,000	32.14%	36%
Georgetown Divide Public Utility District	\$ 400,000	N/A	10.71%	-
TOTALS	\$ 2,500,000	\$ 6,015,441		

Summary of Assignment of Beneficiaries & Contributions for EDWRP

JPA Member Agency	Total Contributions To-date	Contribution Allocation	Benefits of Water Supply Uses	Benefits of Water Storage	Benefits of White Rock Diversion Capacity
El Dorado County	\$ 1,600,000	32%	0%	0%	0%
El Dorado County Water Agency	\$ 1,865,441	32%	0%	0%	0%
El Dorado Irrigation District	\$ 2,550,000	36%	100%	100%	100%
TOTALS	\$ 6,015,441				

Alternatives to Move Forward



Moving Forward with EDWPA

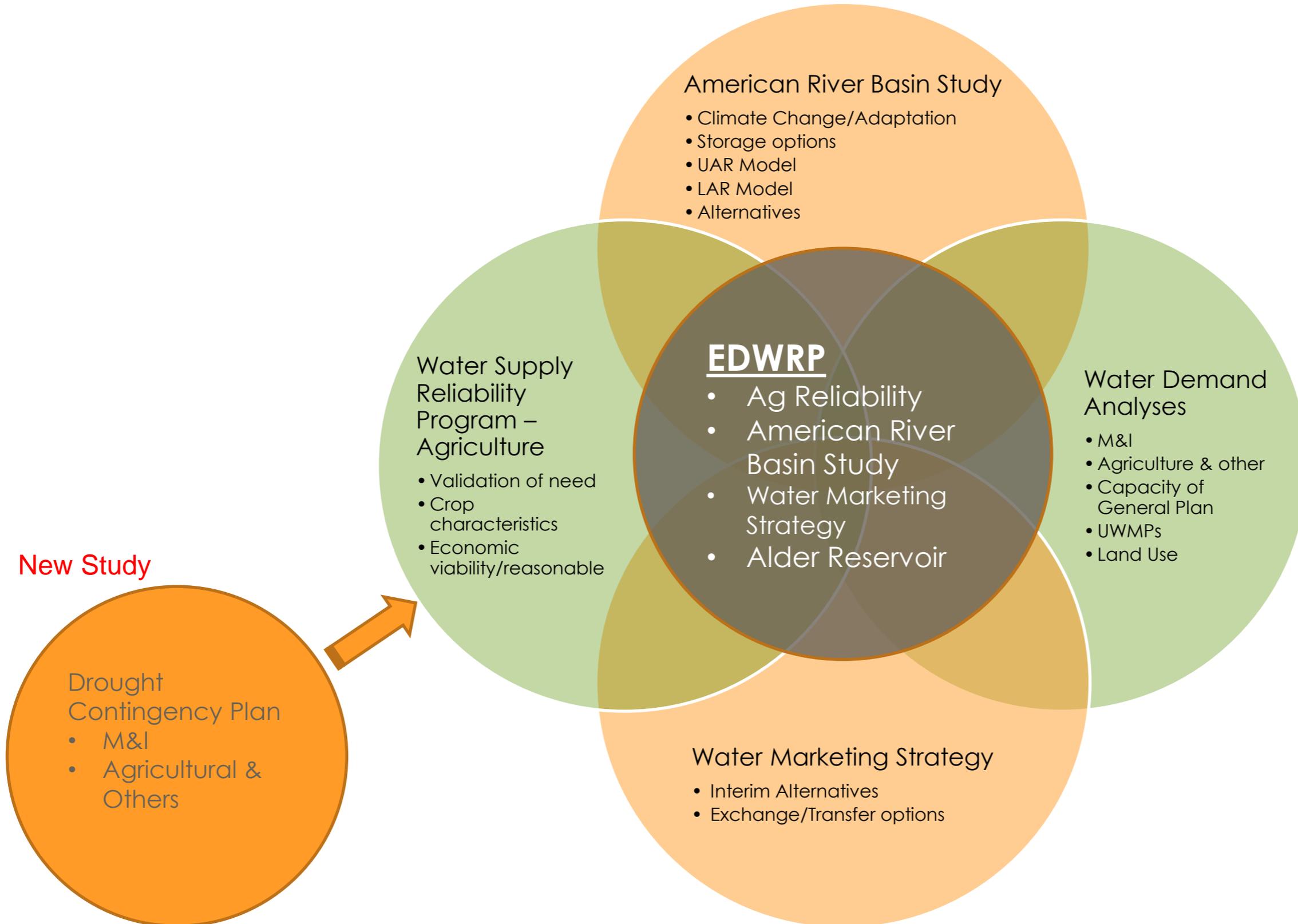
1. Water Rights Acquisition (EDWRP); White Rock Road Diversion & Carryover Storage
 - a) ICCA is no longer the basis for proceeding
 - b) SMUD Agreement remains valid
 - c) JPA remains in place

2. Requires policy-based discussion
 - a) Direction and Guidance to staff
 - 1) Dependent on foregoing governance
 - 2) Funding for EDWRP
 - Funding provided for the EDWRP beyond existing funds
 - No basis to for funding beyond FY2018-2019 and EDWPA's existing funds in possession

El Dorado Water Reliability Project continuing under the provisions of the SMUD Agreement

- 2004 JPA Formation
- 2005 SMUD Agreement*
- 2005 Intra-County Coordination Agreement
- 2005 1st Amendment to the JPA
- 2008 2st Amendment to the JPA
- 2007 Supplemental Water Acquisition Project Cost Share Agreement (EDWRP)
- 2009 (March) Transition Agreement (EDWRP)
- 2009 (Sept) Amendment to the Cost Share Agreement (EDWRP)

EDWRP Benefits from County & Regional Studies



EL DORADO WATER RELIABILITY PROJECT

Water Right

(Partial Assignment of Applications 5644 and 5645)

Regional Interests & Factors



ADVOCACY

- Federal
- State
- Regional
- Local

LAR INTERESTS

- WATER QUALITY
- FLOW PATTERNS
- Operations
- WaterFix

- CONGRESS
- D.O.I.
- USBR
- DWR
- RWA/SGA

- WATER FORUM
- RWA
- USBR
- AG/EXPORTERS
- DELTA

Local Interest & Regional Integration



SMUD FACILITIES/MODELING

- Allocate Benefits
- Manage New Wholesale Facilities
- Funding

EDC/AG INTERESTS

- RELIABILITY
- LONG-TERM PLANNING
- GENERAL PLAN OBLIGATION

- EID
- SMUD
- USBR
- ARB Partners
- Upstream Storage
- Water use Efficiency

- Water use Efficiency
- Upstream Storage
- Climate Adaptation

EDWRP Application Processes

CEQA



ENVIRONMENTAL

- PROJECT DEVELOPMENT
- IMPACT ANALYSIS

APPLICATION HEARING

- Federal
- State
- Regional
- Local

- SWRCB

HOW DOES EDWPA GOVERN ITSELF w/o ICCA?

Joint Powers Authority

An independent,
public entity that
operates on behalf
of its members.

Common structure
to address focused,
regional needs.

TERMS OF COOPERATION

Basic Principles for EDWRP ?

Assignment of Benefits

- Establish beneficiaries of assets. Based on:
 - Contributions
 - Water Demands
 - Needs
- Recognize existing service areas and OCAs

Authority w/in SMUD Agreement

- Designated Representative
 - EDWPA (or EDCWA)
- Assignment of “Agents” for EDDR

Facilitate Progress

- Funding structure
- Voting structure
- Advisory Panels
 - Technical
 - Policy
 - Advocacy
 - Regional/County

GOVERNANCE/STRUCTURE OPTIONS FOR EDWPA

Reformulate Joint Powers Authority

- Reaffirm EDWPA as EDDR
- Restructure existing Agreements
 - or Adopt ICCA/Cost Share
- Establish beneficiaries of assets



New Joint Powers Authority

- Establish EDCWA (staff and counsel) as EDDR
- Restructure existing Agreements
- Establish equitable system for benefits of assets



Administrator
(Designated Representative)



Members
(JPA Meetings)



Default to EDCWA

- Establish EDCWA (staff and counsel) as EDDR
- Restructure existing Agreements
- Establish equitable system for benefits of assets



Administrator
(as EDDR)



Partners
(MOA & 2x2's or Committees)



Structural Venue - Options

A. EDWPA (Reformulate, EDWPA as EDDR)

- EID, EDC & EDCWA JPA Continues
- EDWPA (staff and counsel) reaffirmed as the El Dorado Designated Representative (EDDR)
- Requires new basis for terms:
 - Cost Share Agreement - Contributions
 - “Planning” Agreement for use of assets
- EDCWA Planning Agreement
 - Coordination of integrated studies
 - Reimbursement Agreement for advancement of funds by EDCWA

C. Dissolve EDWPA (EDCWA as DR)

- EID, EDC & EDCWA Memorandum of Agreement & 2x2 Meetings
 - Implement process to dissolve JPA and winding up of JPA affairs
- EDCWA (staff and counsel) reaffirmed as the El Dorado Designated Representative (EDDR)
- Established Power of Authority to file and prosecute applications and petitions to implement the Parties’ rights in the UARP

Requires new basis for terms:

- Cost Share Agreement - Contributions based on benefit
 - “Planning” Agreement for use of assets for countywide benefit based on GP demands
- EDCWA Planning Agreement
 - Coordination of integrated studies
 - Reimbursement Agreement for advancement of funds by EDCWA for pro-rated share of related/integrated planning

E. Dissolve EDWPA (EDCWA becomes DR)

- Implement process to dissolve JPA and winding up of JPA
- Cease EDWRP

B. Establish NEW JPA (EDCWA as DR)

- Requires new basis for terms:
 - Cost Share Agreement - Contributions based on benefit
 - “Planning” Agreement for use of assets for countywide benefit based on GP demands
- EDCWA (staff and counsel) reaffirmed as the El Dorado Designated Representative (EDDR)
- EDCWA Planning Agreement
 - Coordination of integrated studies
 - Reimbursement Agreement for advancement of funds by EDCWA for pro-rated share of related/integrated planning

D. Dissolve EDWPA (EDCWA as DR)

- EID, EDC & EDCWA Memorandum of Agreement & Committees
- Project Developed Similar to other EDCWA Projects:
 - Policy, Strategy, Advisory, Technical Groups for Project and Application
 - Efforts are integrated with other County-wide studies (e.g., American River Basin Study; Water Marketing Strategy; Water Demand Updates; etc.)

EDCWA (staff and counsel) reaffirmed as the El Dorado Designated Representative (EDDR)

Requires new basis for terms:

- Cost Share Agreement - Contributions based on benefit
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 - Coordination of integrated studies
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Direction to Staff

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Georgetown Divide Public Utility District	\$ 400,000	N/A	-
TOTALS	\$ 2,500,000	\$ 6,015,441	

ALTERNATIVES

- 1) The Board could direct EDCWA staff to enter into discussions for EDWPA members to develop new terms and conditions related to the allocation of costs and the responsibilities and benefits for the proposed water supply; or
- 2) The Board could accept letter from EID, dated October 25, 2018, proposing a position where the County consider a similar action to EID's Board to approve a renewal of the ICCA and adopt the terms and conditions of the 2005 ICCA; or
- 3) The Board could direct EDCWA staff to work with EDWPA members to further develop the conceptual options presented during the September 12, 2018 EDWPA Board Meeting; or
- 4) The Board could take other actions as defined by its discussions.

CEQA Process Timeline

CEQA Process and EIR Timeline



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DISCUSSION

NOVEMBER 13, 2018