

February 19, 1999

To: Board of Directors (Executive Committee--Action)

From: General Manager _____

Submitted by: Debra C. Man, Chief _____
 Planning and Resources

Subject: Local Resources Program Agreement for the Alamitos Barrier Reclaimed Water Project

RECOMMENDATIONS

It is recommended that the Board:

1. Authorize the General Manager to execute a Local Resources Program agreement with Central Basin Municipal Water District to implement the Alamitos Barrier Reclaimed Water Project consistent with the major terms and conditions in this letter in form approved by the General Counsel, and
2. Certify that it has reviewed and considered the information provided in the Negative Declaration for the Alamitos Barrier Reclaimed Water Project and adopt the Lead Agency’s findings related to the Project.

EXECUTIVE SUMMARY

The Alamitos Barrier Reclaimed Water Project, sponsored by Central Basin Municipal Water District (Central Basin), is one of 14 proposed projects identified as being eligible for incentive payments under Metropolitan’s new competitive Local Resources Program (LRP). The 14 projects were selected among a field of 28 proposals responding to the June 1998 Request for Proposals targeting 53,000 acre-feet per year (AFY) of new LRP production. Consistent with the LRP, the final step in the process is Board authorization of the LRP agreement.

The Water Replenishment District of Southern California (WRD) will construct and operate the 3,024 AFY Project under an agreement with Central Basin. The Project complies with LRP criteria adopted by Metropolitan’s Board in June 1998. Subject to the Board’s approval, the proposed Project would be eligible for financial assistance which varies from \$209 down to \$151 per acre-foot over 25 years as requested in WRD’s proposal. A corresponding annual contribution from the start of operation (2000-2001) through 2024-2025 will be included in future O&M budgets. Metropolitan will provide up to \$629,000 annually for a total contribution of about \$13.6 million for 74,000 acre-feet over 25 years. Metropolitan’s financial contribution to the Project would be provided to Central Basin under a 25-year agreement term. In turn, Central

Basin and WRD will enter into an agreement which outlines the financial arrangement of Metropolitan incentives between the two agencies.

WRD's 3,024 AFY Project will treat and deliver recycled water to the Alamitos Seawater Intrusion Barrier. This will reduce the demand for an equal amount of potable supplies from Metropolitan that WRD currently uses for injection into the barrier. This locally developed water improves regional water supply reliability by displacing requirements for future Metropolitan capital improvement and water importation.

DETAILED REPORT

In June 1998, with endorsement of the member agencies, Metropolitan established the Local Resources Program (LRP). Metropolitan issued a competitive Request for Proposals (RFP) for 53,000 acre-feet per year (AFY) of production. Twenty-eight proposals were received and in the ensuing two month period reviewed by a committee made up of Metropolitan staff and water resource consultants using weighting criteria for ranking factors adopted by the Board. In December 1998, staff reported to the Board that the review committee identified 14 projects (see Attachment 1) that best met the selection criteria. Those 14 projects would collectively yield about 51,500 AFY.

The Alamitos Barrier Reclaimed Water Project is one of the 14 selected projects. The Project will treat and deliver recycled water to the Alamitos Seawater Intrusion Barrier. The Water Replenishment District of Southern California (WRD) will construct and operate the Project under an agreement with Central Basin Municipal Water District (Central Basin). This will reduce the demand for an equal amount of potable supplies from Metropolitan that WRD currently uses for injection into the barrier. Attachment 2 provides a description of the Project's features. The Project's capacity is 3,024 AFY.

The Project complies with LRP criteria adopted by Metropolitan's Board in June 1998. Subject to the Board's approval, the proposed Project would receive financial assistance which varies from \$209 down to \$151 per acre-foot over 25 years as requested in WRD's proposal. A corresponding annual contribution from the start of operation (2000-2001) through 2024-2025 will be included in future O&M budgets. Metropolitan's financial contribution to the Project would be provided to Central Basin under a 25-year agreement term. In turn, Central Basin and WRD will enter into an agreement which outlines the financial arrangement of Metropolitan incentives between the two agencies. Attachment 3 is a schedule of Metropolitan's projected annual contribution to the Project.

Project operation would help the region meet the year 2020 goal of 500,000 AFY for recovered groundwater and recycled water production. An estimated 125,000 AFY shortfall in meeting the goal was identified in the RFP. This locally developed water improves regional water supply reliability by displacing requirements for future Metropolitan capital improvements and water importation.

Pursuant to the California Environmental Quality Act (CEQA), WRD, acting as the Lead Agency, has prepared and approved a Negative Declaration for the Project. Metropolitan will not be responsible for implementing any of the mitigation measures associated with the Project. Metropolitan, as a Responsible Agency due to its financial participation in the Project, is required

to review and consider the information provided in the Negative Declaration prior to reaching a decision on the Project. Copies of the Negative Declaration and Notice of Determination are available for your review in the office of the Executive Secretary. No further environmental documentation is necessary for you to act upon in this matter.

AMH: jpa

Attachment 8-7A

Attachment 8-7B

Attachment 8-7C

Attachment 8-7A

**LOCAL RESOURCE PROGRAM
RECOMMENDED PROJECT LIST**

Project	Member Agency	Maximum Production (AFY)
1. Westlake Wells - Tapia WRF Intertie Project	Las Virgenes Municipal Water District	150
2. Rincon del Diablo Recycled Water Program	San Diego County Water Authority (SDCWA)	648
3. Non-Domestic Water System Development for Ladera Ranch and Talega Valley	Municipal Water District of Orange County (MWDOC) Central Basin	2,772
4. Juan Well Filter Facility	Municipal Water District	900
5. Olivenhain Recycled Project- Southeast Quadrant	SDCWA	1,788
6. Capistrano Valley Non-Domestic Water System Expansion	MWDOC	2,895
7. Temescal Basin Desalting Facility	Western Municipal Water District	10,000
8. Dry Weather Runoff Reclamation Facility	City of Santa Monica	280
9. Harbor Water Recycling Project	City of Los Angeles	5,000
10. Moulton Niguel Phase 4 Expansion	MWDOC	1,276
11. Encina Basin Water Reclamation Program - Phase 2	SDCWA	2,950
12. Colored Water Treatment Facility	MWDOC	11,300
13. Otay Recycled Distribution Expansion Project	SDCWA Central Basin	8,515
14. Alamitos Barrier Reclaimed Water Project	Municipal Water District	<u>3,024</u>
		51,498

Attachment 8-7B**Alamitos Barrier Reclaimed Water Project****Project Description****Overview**

The proposed Project, sponsored by Central Basin Municipal Water District (Central Basin), will provide a reliable and consistent supply of recycled water to the Alamitos Barrier to maintain the existing seawater intrusion barrier. The Alamitos Barrier, which is a set of injection and extraction wells, is operated by the Los Angeles Department of Public Works in concert with the Water Replenishment District of Southern California (WRD) and the Orange County Water District. The recycled water will replace up to 50 percent of potable imported supplies from Metropolitan that WRD currently purchases for injection into the barrier to protect the Central and Orange County Groundwater Basins, thereby making imported water available for other uses.

WRD will construct and operate the Project under agreement with Central Basin. The Project's capacity is 3,024 acre-feet per year (AFY). The proposed Project facilities and location are shown in Figure 1. The Project is located between the San Gabriel River and Coyote Creek, just north of the County Sanitation Districts of Los Angeles County's (CSDLAC) Long Beach Water Reclamation Plant (LBWRP), which is the source of recycled water for the project.

Treatment Facilities

The Project would take tertiary treated recycled water from LBWRF and improve the quality of that water to standards required for injection into the Alamitos Seawater Intrusion Barrier using multiple microfiltration units and reverse osmosis. Other Project facilities include a booster pump station, pipelines, a 20,000 gallon tank and transfer pumps, an aerator and blower to strip carbon dioxide, chemical storage and related electrical/communication connections to existing facilities.

The blend of recycled water and imported water would be delivered to the treatment plant via an existing 27-inch diameter pipeline located on the opposite side of the San Gabriel River from the proposed treatment facilities. A new recycled water treatment effluent line, about 16-inches in diameter and 1,200 feet long, will extend across the San Gabriel River and connect to the existing pipeline.

Process Residuals Disposal

Residual brines from the reverse osmosis and microfiltration processes would be discharged to the existing trunk sewer that conveys solids from the LBWRP to CSDLAC's Joint Water Pollution Control Plant in the city of Carson. Discharge to that sewer will require a one-time connection fee and payment of CSDLAC's annual industrial waste discharge fee.

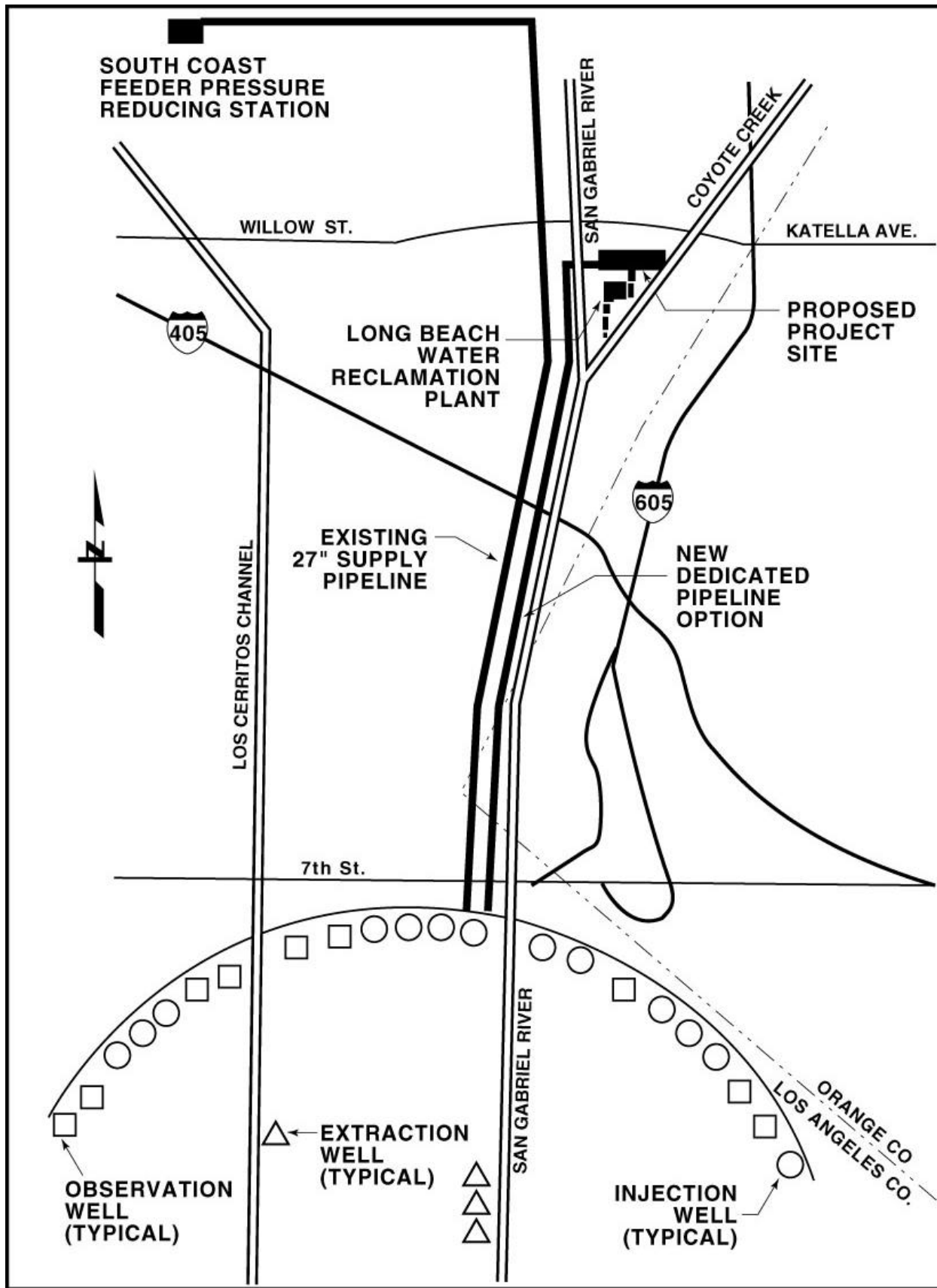


Figure 1
ALAMITOS BARRIER RECLAIMED WATER PROJECT

Attachment 8-7C

Metropolitan's Annual Contribution

<u>Fiscal Year</u>	<u>Incentive Rate</u> (\$/AF)	<u>Production</u> (AF)	<u>Annual Contributions</u> (\$)
2000-2001	209	1,512	316,008
2001-2002	208	3,024	628,992
2002-2003	206	3,024	622,944
2003-2004	205	3,024	619,920
2004-2005	203	3,024	613,872
2005-2006	201	3,024	607,824
2006-2007	200	3,024	604,800
2007-2008	198	3,024	598,752
2008-2009	196	3,024	592,704
2009-2010	194	3,024	586,656
2010-2011	191	3,024	577,584
2011-2012	189	3,024	571,536
2012-2013	187	3,024	565,488
2013-2014	185	3,024	559,440
2014-2015	182	3,024	550,368
2015-2016	179	3,024	541,296
2016-2017	177	3,024	535,248
2017-2018	174	3,024	526,176
2018-2019	171	3,024	517,104
2019-2020	168	3,024	508,032
2020-2021	165	3,024	498,960
2021-2022	162	3,024	489,888
2022-2023	158	3,024	477,792
2023-2024	155	3,024	468,720
2024-2025	151	3,024	456,624
		Total	\$13,636,728