



● **Board of Directors**  
**Water Planning and Resources Committee**

February 8, 2000 Board Meeting

8-3

**Subject**

Local Resources Program Agreement for the Rincon del Diablo Recycled Water Program with the San Diego County Water Authority and the Rincon del Diablo Municipal Water District

**Description**

The Project is one of 14 competitively selected projects under Metropolitan's Local Resources Program (LRP) that would collectively produce 51,500 acre-feet per year of new LRP production (**Attachment 1**). The 14 projects were selected following guidelines adopted by the Board in June 1998. This project is being presented because it has now completed all prerequisites for LRP eligibility and is ready to proceed into construction. Additionally, program guidelines require all LRP agreements to be executed by April 1, 2000.

A report summarizing the screening process was presented to the Board in December 1998. The final step in the process is Board authorization of the LRP agreement for the project with an ultimate yield of 648 acre-feet per year. A copy of the mitigated negative declaration is available for your review in the office of the executive secretary.

**Policy**

Prior Board direction provided by Board Letter 8-9 dated May 26, 1998.

**Board Options/Fiscal Impacts**

**Option #1**

- A. Review and consider information provided in the project's mitigated negative declaration and adopt the lead agency's findings related to the project; and
- B. Authorize the General Manager to execute a LRP agreement for this project to provide incentive payments over 11 years that begin at \$250 per acre-foot and that incrementally decrease in subsequent years. The payment in year 11 would be \$15 per acre-foot.

**Fiscal Impact:** About \$650,000 for approximately 4,600 acre-feet of water over 11 years.

**Option #2**

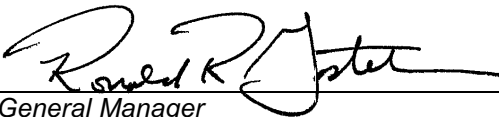
Defer entering a LRP agreement.

**Fiscal Impact:** Would avoid future payments totaling about \$650,000 over 11 years.

**Staff Recommendation**

Option #1

 1/21/00  
 Stephen N. Arakawa, Acting Manager Date  
 Water Resource Management

 1/24/00  
 General Manager Date

## Detailed Report

### Local Resources Program Background

In June 1998, with endorsement of the member agencies, Metropolitan's Board of Directors 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 that best meet the selection criteria. Those 14 projects would collectively yield about 51,500 AFY (see Figure 1).

Project implementation 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.

### Project Features

The Rincon del Diablo Recycled Water Program (Project) is one of the 14 selected projects. The Project involves construction of approximately 28,000 feet of distribution pipeline and the conversion of 60 existing water meters to recycled water use. This Project will reduce the demand for an equal amount of potable supplies from Metropolitan that Rincon del Diablo Municipal Water District (Rincon) would have used to supply current and future customers. Rincon will construct and operate the Project. Figure 2 provides a description of the Project's features. The Project's capacity is 648 AFY.

The Project complies with LRP criteria adopted by the Board in June 1998. Subject to the Board's approval, the proposed Project would receive financial assistance which varies from \$250 to \$15 per acre-foot over 11 years as specified in Rincon's proposal. A corresponding annual contribution from the start of operation (2000-2001) through 2010-2011 will be included in future O&M budgets. Metropolitan will provide up to \$85,624 annually for a total contribution of about \$650,000 for approximately 4,600 acre-feet over 11 years. Metropolitan's financial contribution to the Project would be provided to Rincon through the San Diego County Water Authority under an 11-year agreement term. Figure 3 is a schedule of Metropolitan's projected annual contribution to the Project.

### Environmental Documentation

Pursuant to the California Environmental Quality Act (CEQA), Rincon, acting as the Lead Agency, has prepared and approved a Mitigated Negative Declaration for 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 Mitigated Negative Declaration prior to reaching a decision on the Project. Copies of the Lead Agency's Mitigated 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.

Figure 1

**LOCAL RESOURCES PROGRAM**  
**14 Selected Projects**

Selected Projects	Ultimate Yield (AFY)	Financial Incentive (\$/AF)	Total MWD Contribution (\$)	Agreement Term (yrs.)	Total Yield* (AF)	MWD Board Approval	Executed Agreement
Westlake Wells - Tapia WRF Intertie Project	150	130	78,000	4	600	x	x
Temescal Basin Desalting Facility	10,000	100	25,000,000	25	250,000	x	x
Dry Weather Runoff Reclamation Facility	280	150	1,050,000	25	7,000	x	x
Colored Water Treatment Facility	11,300	97-169	37,115,824	25	277,792	x	x
Alamitos Barrier Reclaimed Water Project	3,024	151-209	13,636,728	25	74,088	x	
Olivenhain Recycled Project - SE Quadrant	1,788	150	4,076,400	20	27,176	x	x
Otay Recycled Distribution Expansion	8,515	160-200	21,637,465	24	125,880	x	x
Santa Margarita Non-Domestic System	2,772	79-214	6,538,416	25	65,951	x	
Moulton Niguel Phase 4 Expansion	1,276	154	3,821,356	20	24,814	x	
Harbor Water Recycling Project	5,000	86-139	13,595,000	24	120,000	x	
Capistrano Valley Non-Domestic System	2,895	150	9,591,300	25	63,942		
Juan Well Filter Facility	900	75	472,500	7	6,300		
Encina Water Reclamation Phase 2	2,950	100-210	7,975,685	25	62,750		
Rincon del Diablo Recycled Water Program	648	15-250	648,785	11	4,633		
Total	51,498		145,237,459		1,110,926		

\* Total Yield is the sum of the project's annual yield over the requested term of financial assistance.

## **Rincon del Diablo Recycled Water Program**

### **Project Description**

#### Overview:

The Rincon del Diablo Recycled Water Program (Project) will deliver about 648 acre-feet per year (AFY) of recycled water to customers in the Rincon del Diablo service area for landscape irrigation of parks, golf courses, and schoolyards.

#### Project Facilities:

The Project will involve construction of approximately 28,000 feet of distribution pipeline and the conversion of 60 existing water meters to recycled water use (see Figure 2). Distribution pipelines of 4- and 6-inch diameter will be installed within existing public streets in two main areas in the northern and southern portions of the City of Escondido (Escondido).

#### Source of Project Water

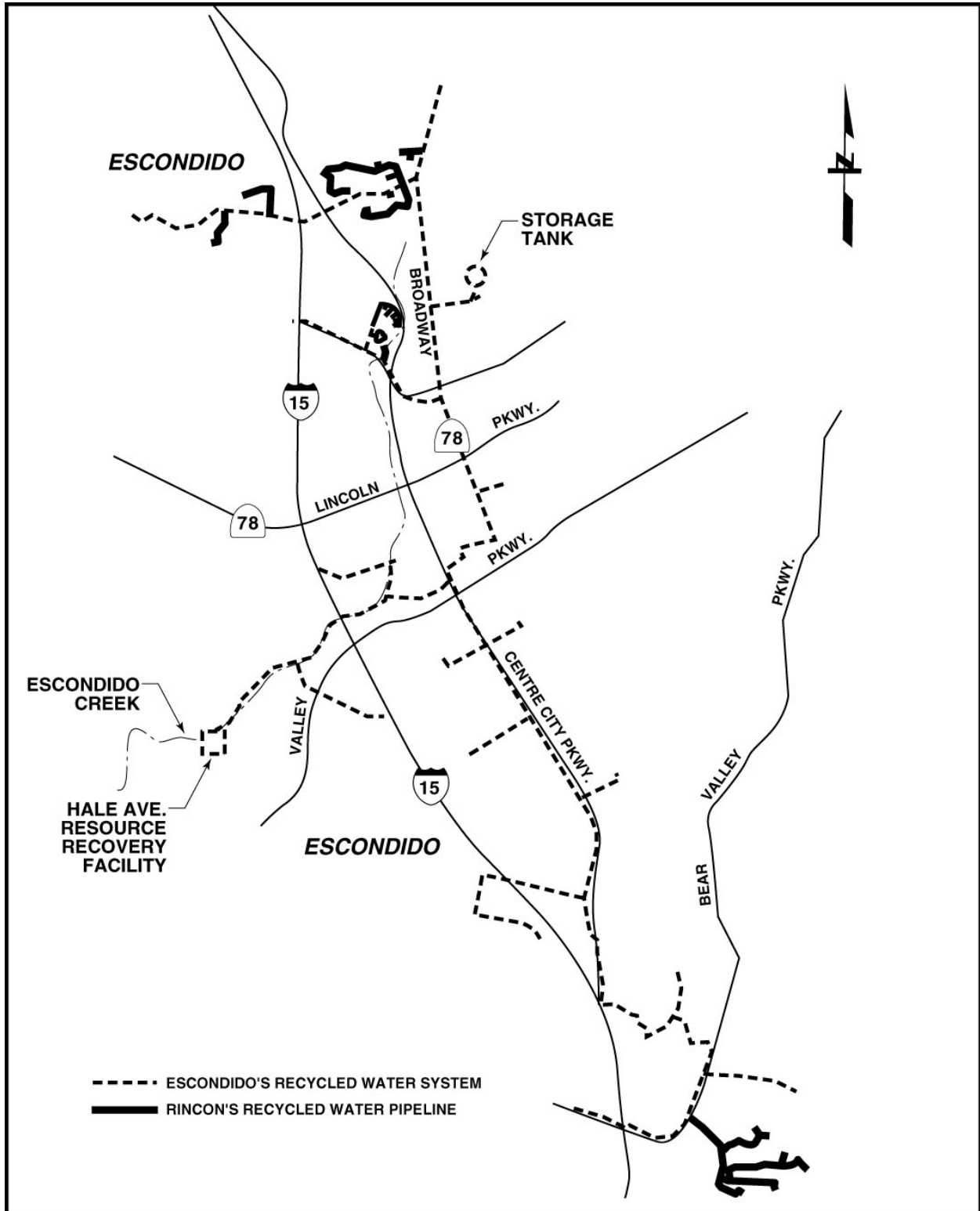
The Project will utilize recycled water from Escondido's Hale Avenue Resource Recovery Facility (HARRF) that will be conveyed by Escondido's system via an intertie to Rincon's recycled water system.

#### Existing Local Resources Program Agreements

In June 1999, Metropolitan entered into a Local Resources Program (LRP) agreement with San Diego County Water Authority and Escondido for the Escondido Regional Reclaimed Water Project to supply about 2,800 AFY of recycled water for landscape, agricultural, commercial and industrial purposes. Rincon will purchase tertiary treated recycled water from Escondido originating from HARRF. Escondido will pump treated recycled water to a storage tank owned by Escondido located at an elevation that will provide adequate pressure to supply Rincon's recycled water system by gravity. Escondido will not receive credit under the existing LRP agreement for recycled water deliveries made to Rincon.

#### Points of Connection

Project facilities begin at Rincon's recycled water system connections to Escondido's system and terminate at the point of connection to Rincon's recycled water customers.



**Figure 2**  
**RINCON DEL DIABLO RECYCLED WATER PROJECT**

**Figure 3****Metropolitan's Annual Contribution**

<b><u>Fiscal Year</u></b>	<b><u>Incentive Rate (\$/AF)</u></b>	<b><u>Production (AF)</u></b>	<b><u>Annual Contribution (\$)</u></b>
2000-2001	250	250	62,500
2001-2002	250	275	68,750
2002-2003	250	303	75,625
2003-2004	250	333	83,188
2004-2005	234	366	85,624
2005-2006	190	403	76,298
2006-2007	149	443	65,849
2007-2008	111	487	54,140
2008-2009	76	536	40,991
2009-2010	44	589	26,220
2010-2011	15	648	9,610
<b>Total</b>		<b>4,633</b>	<b>648,795</b>