

- **Board of Directors**
Water Planning, Quality and Resources Committee

May 15, 2001 Board Meeting

9-8

Subject

Approve the Seawater Desalination Action Plan and authorize the General Manager to commence program development

Description

In February 2001, the Board adopted policy principles which define a strategy for the development of brackish and seawater desalination. In April 2001, the Water Planning, Quality and Resources Committee directed staff to prepare an action plan for development of seawater desalination in Metropolitan's service area. In response, staff has prepared the action plan described in [Attachment 1](#).

The action plan outlines the development of a new program to encourage development of seawater desalination through a competitive solicitation process that provides for:

- full-scale seawater desalination on an incremental basis;
- partnerships to maximize available funding sources; and
- regional value and benefit to Metropolitan's service area.

The policy principles adopted by the Board will serve as the guidelines to implement the action plan for seawater desalination. Upon Board approval of the action plan, staff will identify appropriate resource targets in light of Metropolitan's Integrated Resources Plan (IRP) Review and Rate Structure Action Plan, and determine the appropriate level of financial participation. Additionally, staff will develop a competitive solicitation process for selecting projects. A related activity will be to identify an appropriate timeframe for preparation and submittal of proposals. Staff will consult with the member agencies and industry professionals to establish this timeframe. It is anticipated that, as part of the selection process, a review committee would be convened to evaluate project proposals and its findings would be reported for Board approval. Staff would then negotiate agreements that would be submitted to the Board for approval on an individual project basis. Staff will develop an overall program schedule that encompasses performance provisions, milestone targets and dates, and reporting requirements for selected projects.

Staff would prepare for Board action a defined competitive solicitation process and seek authorization to implement that process in August 2001. [Attachment 2](#) is an implementation process diagram that outlines the activities leading to Board action in August 2001.

The proposed action is not defined as a project under the California Environmental Quality Act (CEQA), because the proposed action involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

Policy

Board Letter 9-12, dated February 13, 2001, adopting policy principles for brackish and seawater desalination.

Board Options/Fiscal Impacts

Option #1

Determine that the proposed action is not subject to CEQA per Sections 15378(b)(2) and 15061(b)(3) of the State CEQA Guidelines, approve the Seawater Desalination Action Plan, and authorize the General Manager to commence program development.

Fiscal Impact: None. Fiscal impacts will be determined upon completion of analyses in the IRP Review and Rate Structure Action Plan to identify resource targets and determine appropriate level of financial participation.

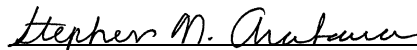
Option #2

Do not approve the Seawater Desalination Action Plan as outlined in [Attachment 1](#).

Fiscal Impact: \$0

Staff Recommendation


Option #1



Stephen N. Arakawa
Manager, Water Resource Management

4/20/2001

Date



Ronald R. Jester
General Manager

4/23/2001

Date

[Attachment 1 - Seawater Desalination Action Plan](#)

[Attachment 2 - Implementation Process Diagram](#)

Seawater Desalination Action Plan

Background

In February 2001, the Board adopted policy principles which define a strategy for the development of brackish and seawater desalination. These principles will serve as guidelines to implement the action plan for seawater desalination described below.

The action plan is proposed to encourage development of seawater desalination through a competitive solicitation process that provides for:

- full-scale seawater desalination on an incremental basis;
- partnerships to maximize available funding sources; and
- regional benefit and value to Metropolitan's service area.

Initial Activities

Consistent with policy principles adopted by the Board, the following activities will be undertaken. Upon completion of these activities, staff would report its findings to the Board.

Integrated Resources Plan (IRP) Review and Rate Structure Action Plan - Staff will identify appropriate resource targets and determine the appropriate level of financial participation. Staff will also analyze the relationship of seawater desalination to Metropolitan's Water Surplus and Drought Management (WSDM) allocation plan.

Solicitation Process - Building upon experience gained in the Local Resources Program, Dry-Year Transfer Program, and Groundwater Conjunctive Use Program, staff will prepare for Board action a defined competitive solicitation process and seek authorization to implement that process in August 2001. The program will be open to public and private entities interested in pursuing seawater desalination development. A related activity will be to identify an appropriate timeframe for preparation and submittal of proposals. Staff will consult with the member agencies and industry professionals to establish this timeframe. It is anticipated that, as part of the selection process, a review committee would be convened to evaluate project proposals and its findings would be reported for Board approval. Staff would then negotiate agreements that would be submitted to the Board for approval of participation on an individual project basis. The process of selecting projects, negotiating agreement terms, environmental documentation compliance, and final board approval will be developed.

Program Management - Staff will develop an overall program schedule that encompasses performance provisions, milestone targets and dates, and reporting requirements for selected projects.

Seawater Desalination Program IMPLEMENTATION PROCESS DIAGRAM

Initial Timeline

