



● Board of Directors
Water Planning and Stewardship Committee

12/11/2012 Board Meeting

7-1

Subject

Authorize entering into a Local Resources Program agreement with Three Valleys Municipal Water District and California State Polytechnic University, Pomona, for the Cal Poly Pomona Water Treatment Plant

Executive summary

Authorization is requested to enter into a Local Resources Program (LRP) agreement with Three Valleys Municipal Water District (TVMWD) and California State Polytechnic University, Pomona (Cal Poly Pomona), for the Cal Poly Pomona Water Treatment Plant. The project would provide up to 250 acre-feet per year of recovered groundwater for use on the Cal Poly Pomona campus. This project would help achieve Metropolitan's LRP goal of 174,000 acre-feet of new supply.

Details

Authorization is requested to enter into a LRP agreement with TVMWD and Cal Poly Pomona for the subject project. The project would treat degraded groundwater containing high concentrations of total dissolved solids, nitrates and perchlorate from the Spadra Basin and provide up to 250 acre-feet per year of recovered groundwater for potable use on the Cal Poly Pomona campus. Cal Poly Pomona would own and operate the project, which is expected to begin deliveries in 2013.

The project, described in [Attachment 1](#), complies with LRP criteria adopted by the Board. Key terms of the proposed agreement, subject to approval in form by the General Counsel, include the following:

1. Pay for performance – LRP financial incentives would only be paid for recovered groundwater delivered by the proposed project for beneficial use;
2. Sliding scale incentives up to \$250 per acre-foot, calculated annually, based on actual project unit cost above Metropolitan's prevailing water rate;
3. Termination for nonperformance if construction does not commence within two years of agreement execution or recovered groundwater deliveries are not realized within five years of agreement execution;
4. Reduction in Metropolitan's contract commitment if project falls short of production targets measured in four-year intervals throughout the agreement term; and
5. Rate structure integrity language.

In 2007, the Board established a goal of 174,000 acre-feet per year of new LRP yield. Since then, the Board has approved 18 projects with a potential yield of 100,045 acre-feet per year. Since inception of its regional local resources and groundwater recovery programs in 1982, Metropolitan has provided financial assistance for production of over 2.1 million acre-feet of recycled water and recovered groundwater. The board-approved policy goals of these programs, which benefit all member agencies regardless of individual project location, target increased regional water supply reliability and reduced demands for new sources of imported water supplies. LRP projects produced about 206,000 acre-feet last fiscal year.

Policy

By Minute Item 47049, dated April 10, 2007, the Board adopted Local Resources Program revisions including a goal of 174,000 acre-feet per year of new production.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

Pursuant to the provisions of CEQA and the State CEQA Guidelines, California State Polytechnic University, Pomona (Cal Poly Pomona), acting as the Lead Agency, prepared the Water Independence Initiative Mitigated Negative Declaration (MND) and released it for public review on November 19, 2009. Then, on January 5, 2010, Cal Poly Pomona adopted the MND and approved its project. Subsequent to that time, Cal Poly Pomona proposed to commence negotiations with Metropolitan as related to the LRP agreement. This new information constituted a minor modification to the originally approved project. As the Lead Agency, Cal Poly Pomona prepared an Addendum to the MND (Addendum), adopted it and approved the proposed project modification on October 1, 2012. Metropolitan, as a Responsible Agency under CEQA, is required to certify that it has reviewed and considered the information in the MND and Addendum and adopt the Lead Agency's findings prior to approval of the formal terms and conditions for the proposed agreement. The environmental documentation can be found in [Attachment 2](#) (MND) and [Attachment 3](#) (Addendum).

The CEQA determination is: Review and consider information provided in the adopted 2009 MND and 2012 Addendum and adopt the Lead Agency's findings related to the proposed action.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination and authorize the General Manager to enter into a Local Resources Program agreement for the Cal Poly Pomona Water Treatment Plant with Three Valleys Municipal Water District and California State Polytechnic University, Pomona, for up to 250 acre-feet per year of recovered groundwater under terms included in this letter.

Fiscal Impact: \$625,000 over 10 years based on project yield projections and estimated costs. These incentive payments are factored into Metropolitan's rate projections and would be included in future budgets. However, should project yield and costs be greater than anticipated, Metropolitan's maximum financial obligation could total up to \$1.6 million over 25 years. Conversely, the fiscal impact would be less if project yield or production costs are lower than projected.

Business Analysis: The project would help achieve Metropolitan's local resources goal of developing 174,000 acre-feet per year of new supply by year 2025.

Option #2

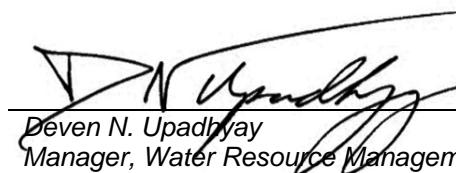
Do not authorize execution of an agreement for the proposed project.

Fiscal Impact: None

Business Analysis: Metropolitan would pursue other projects and it may take longer to meet the LRP goal of 174,000 acre-feet per year.

Staff Recommendation

Option #1



Deven N. Upadhyay
Manager, Water Resource Management

11/13/2016
Date



Jeffrey Kightlinger
General Manager

11/26/2016
Date

Attachment 1 – Cal Poly Pomona Water Treatment Plant – Project Description**Attachment 2 – Water Independence Initiative Mitigated Negative Declaration****Attachment 3 – Addendum to Mitigated Negative Declaration – Water Independence Initiative at California State Polytechnic University, Pomona**

Ref# wrm12620920

CAL POLY POMONA WATER TREATMENT PLANT

Project Description

Overview

The proposed Cal Poly Pomona Water Treatment Plant (Project), located on campus, will be owned and operated by California State Polytechnic University, Pomona (Cal Poly Pomona). The Project (as shown in Figure 1) will treat degraded groundwater for on-site potable use.

Project Facilities

The proposed treatment plant consists of raw groundwater feed, bypass flow control system, reverse osmosis (RO) membrane system, chemical storage and feed system, blending system and decarbonation, pH adjustment, disinfection, final pumping to storage, programmable logic controller-based system, electrical power distribution, and standby power. Minor modifications will be made to an existing 12-inch diameter pipeline to convey water to storage reservoirs for delivery to the potable distribution system. The project will also include a brine discharge line that will be connected to the Los Angeles County Sanitation District 21 industrial waste line.

Source of Water

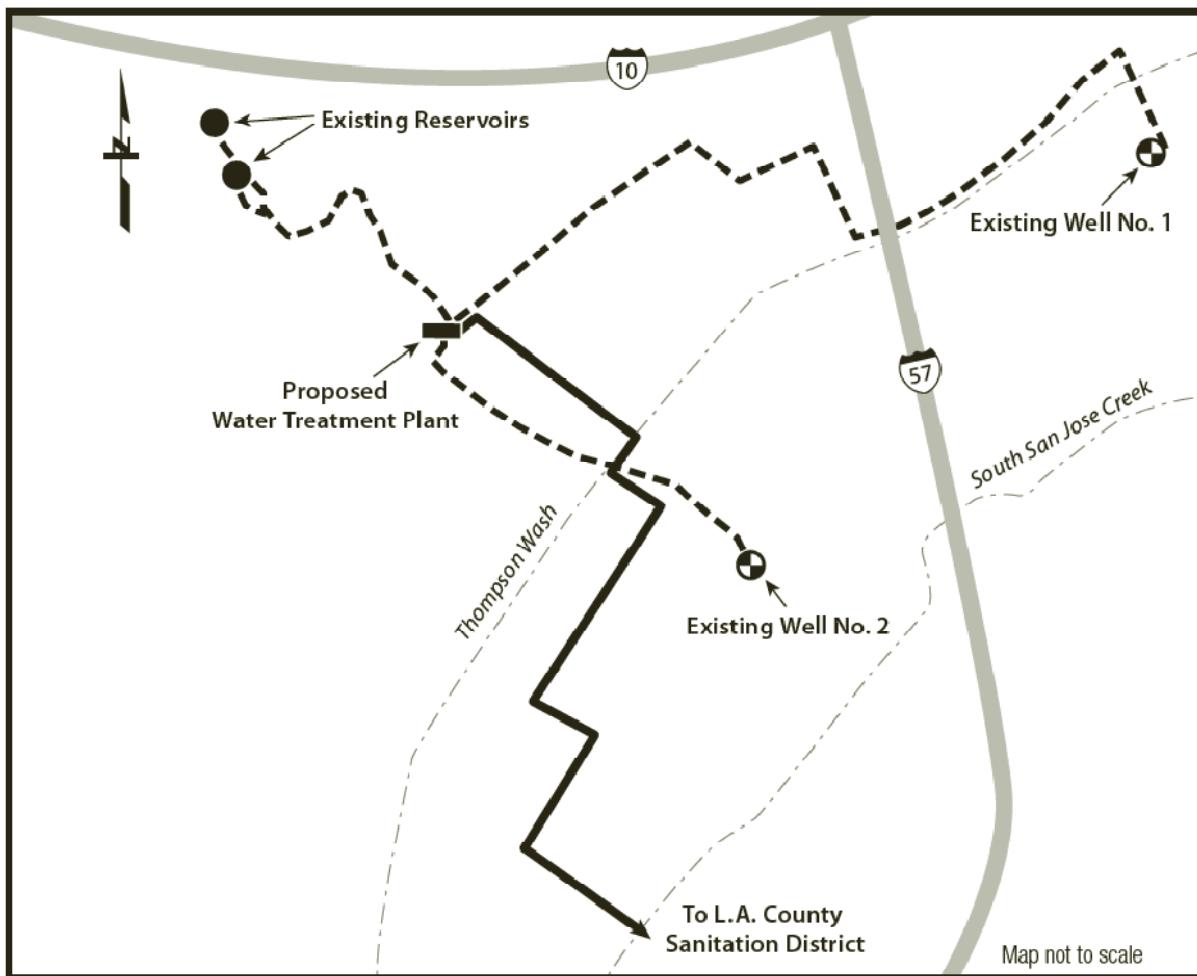
Degraded groundwater containing high concentrations of total dissolved solids, nitrates, and perchlorate would be extracted by existing wells (Nos. 1 and 2) in the Spadra Groundwater Basin. The extracted groundwater would undergo RO treatment to meet regulatory drinking water standards.

End Users

The Project will deliver potable water for domestic uses on the Cal Poly Pomona campus.

Points of Connection

Project facilities begin at the connection to the existing potable distribution system and the point of connection to the industrial waste discharge line.

Figure 1

CAL POLY POMONA WATER TREATMENT PLANT

— PROPOSED BRINE LINE
- - - EXISTING WATER PIPELINE

ADDENDUM TO MITIGATED NEGATIVE DECLARATION
Water Independence Initiative
at California State Polytechnic University, Pomona

Prepared by
California State Polytechnic University, Pomona
Facilities Planning & Management
3801 W. Temple Avenue
Pomona, CA 91768

1. Introduction:

Project proposes to design and construct water treatment facilities and/or a new wellhead, and related facilities on previously disturbed site on the **California State Polytechnic University, Pomona (CSUP)** owned property. The Project will include conveyance pipeline(s), well house building, chemical storage building, and security screening. The proposed project is located on the CSUP campus in the unincorporated area of Los Angeles County.

2. Project Modification Description:

Since the approval of the original project (as described in Section 1 of this addendum), a minor project modification has occurred that needs to be addressed within the context of CEQA and the State CEQA Guidelines. **CSUP** is proposing to obtain financial assistance for the approved project through the Local Resources Program (LRP) that is administered by The Metropolitan Water District of Southern California (Metropolitan). The LRP provides a funding mechanism to member agencies to encourage local development of recycled water and recovered groundwater. This funding mechanism emphasizes cost-efficiency to Metropolitan, while timing new production according to regional water supply needs. Metropolitan provides assistance of up to \$250 per acre-foot of production to its partners within Metropolitan's service area for agreement terms up to 25 years. A competitive Request for Proposal process is conducted periodically, dependent on the need to meet the targets established in the Integrated Resources Plan (IRP)¹.

¹ Metropolitan's Integrated Resource Plan (IRP) identifies goals for a diverse mix of local and imported water resource elements optimized to meet future supply reliability in a cost-effective manner. The IRP sets initial targets for resource development that the region must achieve for water supply reliability through the year 2020. IRP studies show reduced long-term costs to the region when local resources are developed due to downsizing or deferral of Metropolitan's capital improvements, reduction in operating costs for importation, treatment and distribution, and reduction in costs for developing alternative regional supplies. These benefits are realized by all Metropolitan member agencies through improved regional water supply reliability.

Key objectives of the LRP are to:

1. Reduce future demand on Metropolitan's imported water supplies through direct replacement of potable water;
2. Assist local projects that improve regional water supply reliability; and
3. Meet periodically updated IRP local resource targets.

As part of a consortium of agencies participating in the LRP process, **CSUP** is proposing to partner with Metropolitan ("proposed project modification") in conjunction with the **Water Independence Initiative**. As the Lead Agency, **CSUP** has prepared this addendum to the previously adopted Mitigated Negative Declaration (MND) in support of its discretionary action to comply with CEQA and the State CEQA Guidelines. For this proposed project modification, Metropolitan will act as a Responsible Agency.

3. Minor Technical Additions:

Since partnering in the original project would require a discretionary action by the Lead Agency's decision making body, it is necessary to clarify the text in the MND, as originally prepared by the Lead Agency. This addendum has been prepared to address this minor change in the Utility and Service Systems (Water) section of the MND.

In light of the foregoing discussion in the project description, starting on page **4-28**, in section **4.16.(d)** Utilities and Service System in the MND, after the text discussing **Water Supplies Availability**, the following text is hereby added:

On June 12, 2012, CSUP submitted the proposal on the Water Independence Initiative to Metropolitan. As the Responsible Agency, Metropolitan's Board of Directors will review and consider the proposal and environmental documentation prepared by CSUP in determining whether or not to approve financial assistance for the project within the Local Resources Program (LRP) administrative process.

The proposed project modification (i.e., a partnership with Metropolitan in the LRP for the Water Independence Initiative would be consistent with Metropolitan's commitment to develop LRP activities that would increase water supply reliability. The proposed project modification would have up to a 25-year term as negotiated between the Lead Agency and Metropolitan.)

This minor technical change and further clarification to the original project does not affect water supplies or water quality within the Lead Agency's service area. Instead, the proposed project modification is an administrative and fiscal action. For Metropolitan, the proposed project modification would be beneficial in terms of being consistent with the objectives of the LRP. Accordingly, this activity would not result in a tangible change in the physical environment.

Therefore, no impact to utility and service systems would result from the implementation of the proposed project modification.

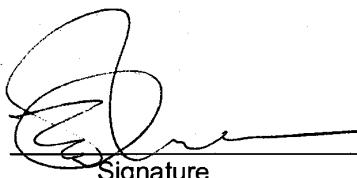
Another minor addendum has also been prepared to address a typo in the **Hydrology and Water Quality** section of the MND.

In light of the foregoing discussion in the project description, starting on page **4-15**, in section **4.8.(b)** Hydrology and Water Quality section in the MND, after the text discussing **The maximum perennial yield (safe yield) would be**, the following text shall be changed from 100 acre feet per year to read **1,100 acre feet per year (AFY)**.

4. Basis for Preparation of Addendum:

Section 15164(b) of the State CEQA Guidelines states "An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred."

The proposed modification to the original project would not result in a tangible change in the physical environment. As the Lead Agency for the proposed project modification, **CSUP** is issuing this addendum in accordance with the State CEQA Guidelines (Section 15164). The minor textual additions provided herein are not considered to 1) constitute a substantial change in the project as originally proposed by the **CSUP**, 2) lead to substantial changes in the circumstances under which the project is undertaken, or 3) constitute new information of substantial importance. Accordingly, an addendum was prepared as opposed to a negative declaration or a subsequent environmental impact report.



Signature

10-1-12

Date

Dr. Edwin A. Barnes

Printed Name

Vice President/CFO of Administrative Affairs

Title