



# Authorize entering into four separate Local Resources Program agreements with City of Los Angeles, Eastern MWD, and city of Torrance

Water Planning and Stewardship Committee

November 7, 2016

Items 7-2 through 7-5

# Local Resources Program (LRP)

- 1982 - Local Projects Program
  - Recycled water
- 1991 – Groundwater Recovery Program
  - Recovered groundwater
- 1998 – Local Resources Program
- Periodic program refinements over time



# LRP Refinement

- Authorized in October 2014
  - Added seawater desalination
  - Increased incentive rate

Payment Structure Alternatives	Maximum Incentive Amount	Payment Period
1 – Sliding Scale	\$340/AF	25 years
2 – Sliding Scale	\$475/AF	15 years
3 – Fixed Incentive Rate	\$305/AF	25 years

\* Agency would pick one option at the time of application

# Program Status

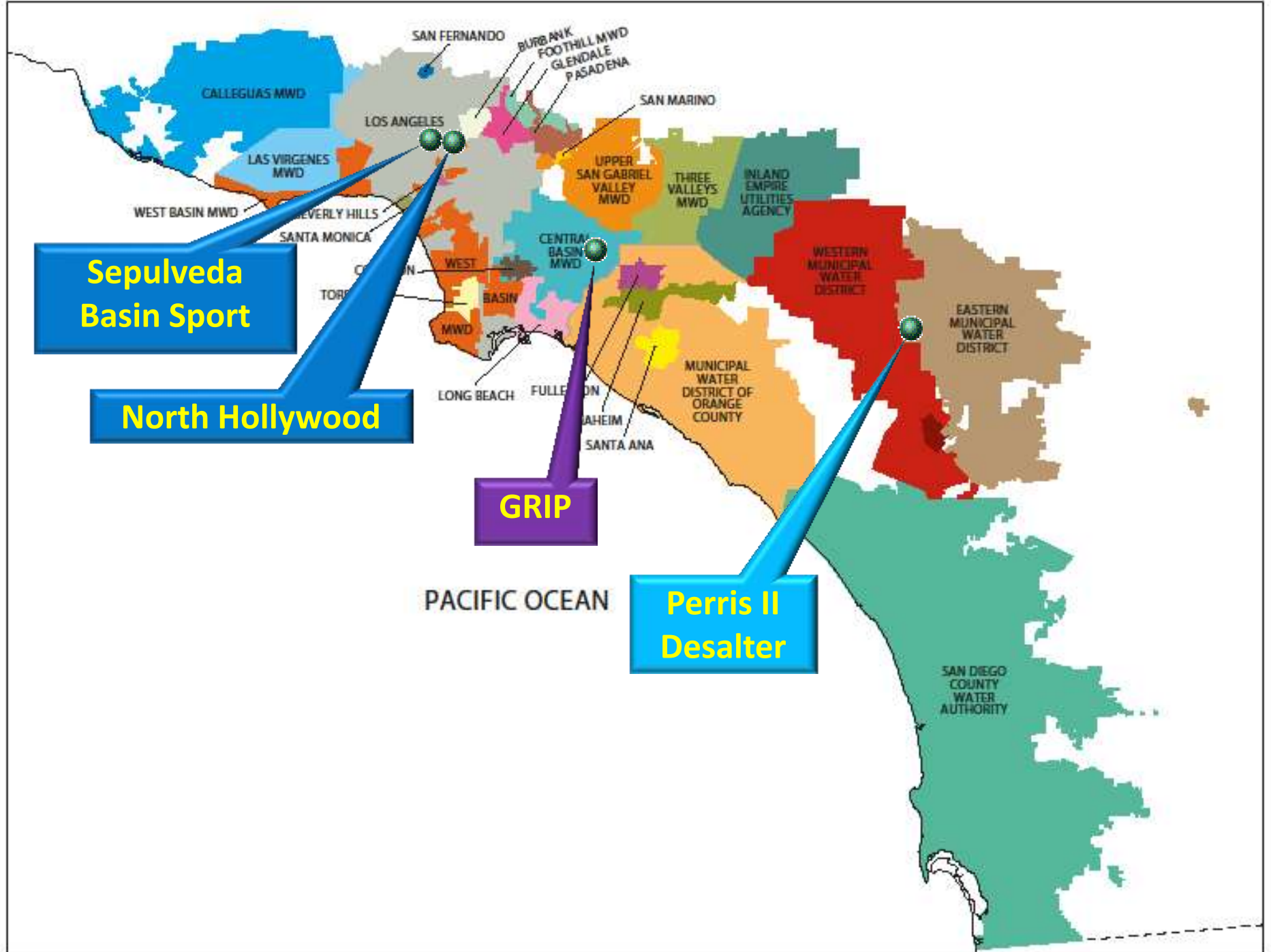
- Authorized in 2014
  - Remaining 2007 target 63,000 AFY
  - 4 projects for approval 16,150 AFY
  - Balance 46,850 AFY
  - Additional projects slated for committee approval in coming months
- Member agency survey
  - Recycled water, groundwater recovery, seawater desalination



# Metropolitan Water District of Southern California

## Local Resources Program

	Program	Number of Projects	Contract Yield (AFY)	Deliveries to Date (AF)	Incentives to Date (\$M)
●	Recycling	75	305,000	2,451,000	425
■	Groundwater Recovery	24	111,000	855,000	146
	<b>Total</b>	<b>99</b>	<b>416,000</b>	<b>3,306,000</b>	<b>571</b>



**Sepulveda  
Basin Sport**

**North Hollywood**

**GRIP**

**Perris II  
Desalter**

PACIFIC OCEAN

SAN DIEGO  
COUNTY  
WATER  
AUTHORITY

CALLEGUAS MWD

LAS VIRGENES  
MWD

WEST BASIN MWD

BEVERLY HILLS

SANTA MONICA

TORRANCE

LONG BEACH

FULLERTON

ANAHEIM

SANTA ANA

SAN FERNANDO

BURBANK

FOOTHILL MWD

GLENDALE

PASADENA

SAN MARINO

UPPER  
SAN GABRIEL  
VALLEY  
MWD

THREE  
VALLEYS  
MWD

INLAND EMPIRE  
UTILITIES  
AGENCY

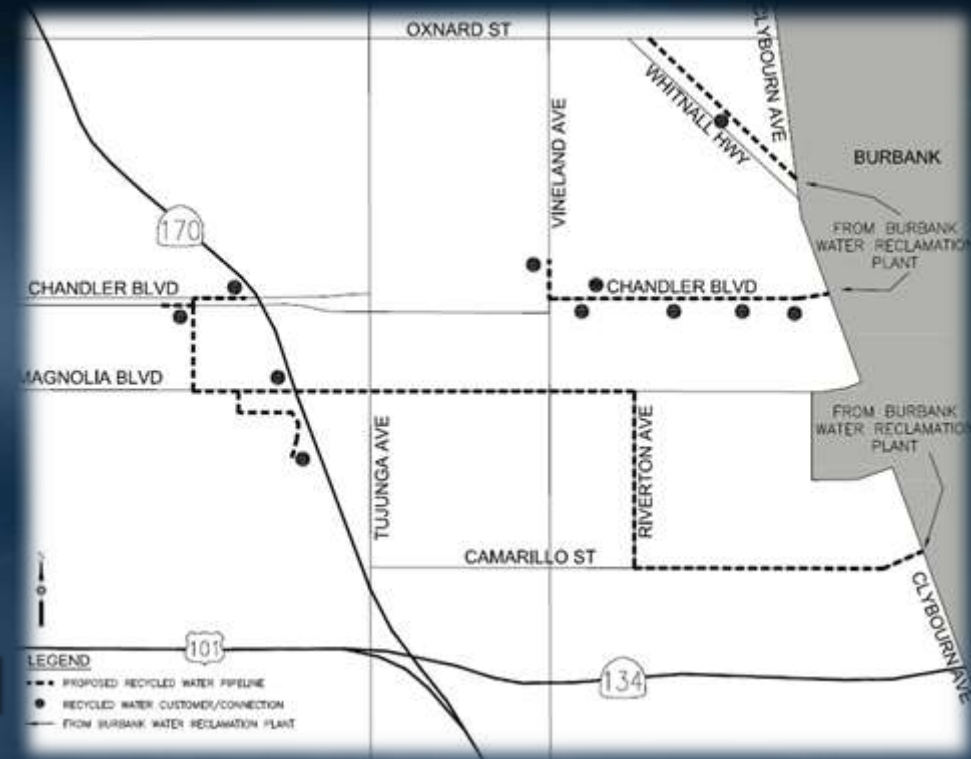
WESTERN  
MUNICIPAL  
WATER  
DISTRICT

EASTERN  
MUNICIPAL  
WATER  
DISTRICT

MUNICIPAL  
WATER  
DISTRICT OF  
ORANGE  
COUNTY

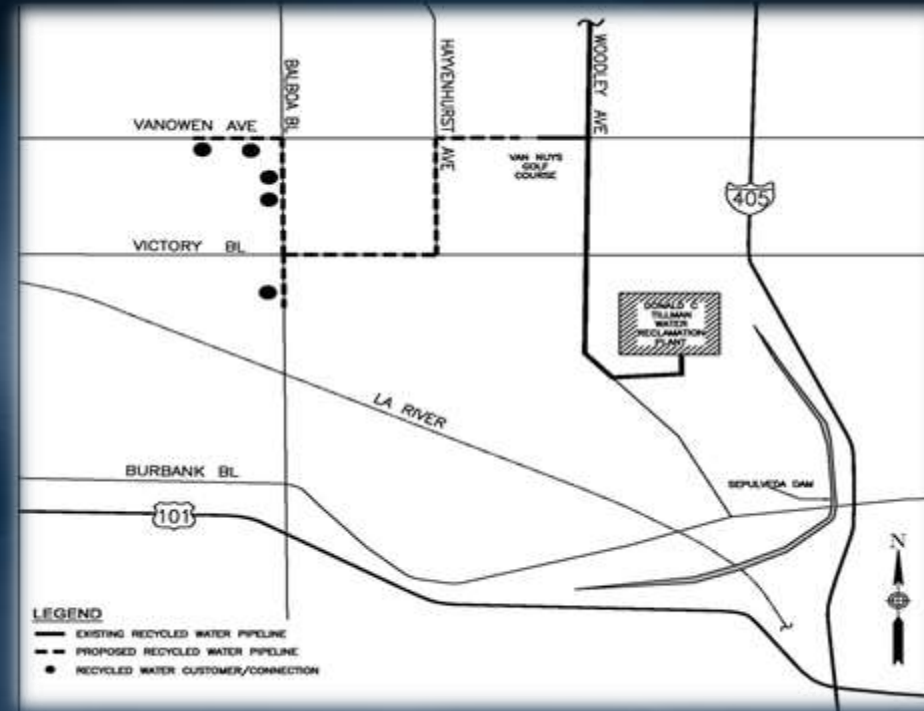
# North Hollywood Water Recycling Project

- City of Los Angeles
- 300 AFY capacity
- Recycled Water
- Burbank WRP
- Irrigation/ commercial
- \$2.6 million max. lifetime payment
- 7,500 AF over 25 years



# Sepulveda Basin Sports Complex Water Recycling Project

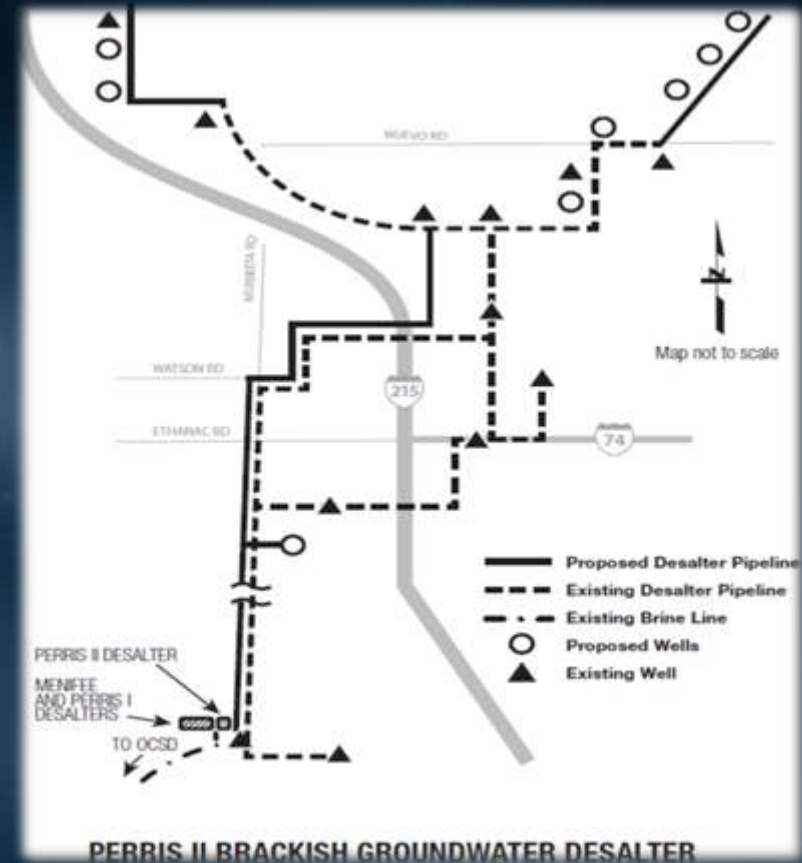
- City of Los Angeles
- 350 AFY capacity
- Recycled Water
- D. C. Tillman Plant
- Irrigation/ commercial
- \$3 million max. lifetime payment
- 8,750 AF over 25 years





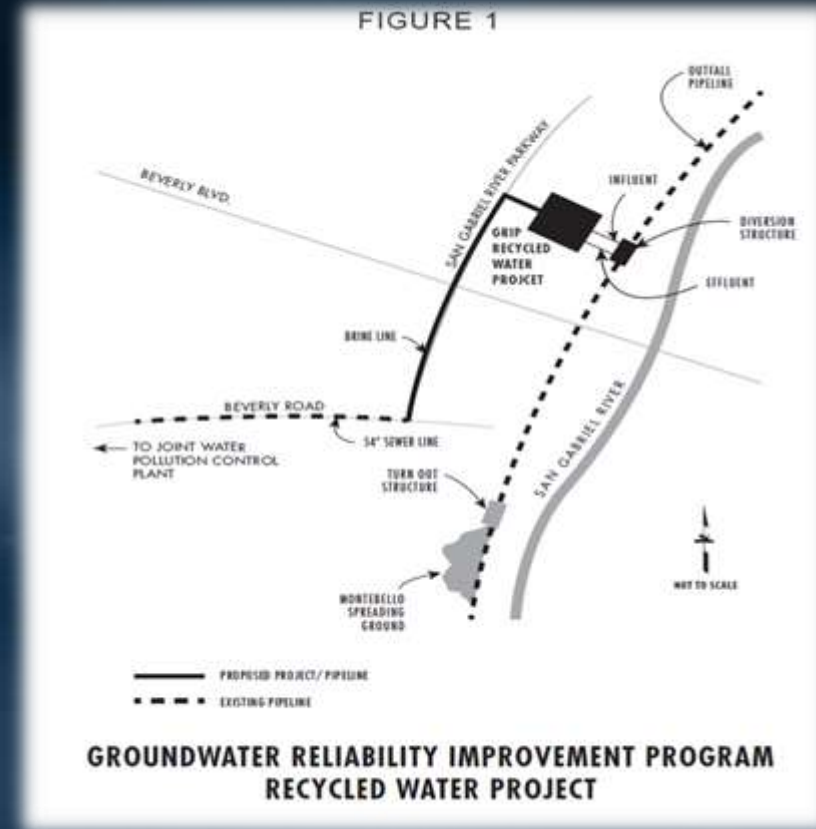
# Perris II Brackish Groundwater Desalter Project

- Eastern MWD
- Groundwater recovery
- 5,500 AFY capacity
- Reverse osmosis
- Potable use
- \$42 million max. lifetime payment
- 137,500 AF over 25 years



# GRIP Recycled Water Project

- City of Torrance
- WRD
- 10,000 AFY capacity
- Recycled Water
- San Jose Creek Plant
- Reverse osmosis
- Groundwater recharge
- \$76.3 million max. lifetime payment
- 250,000 AF over 25 years

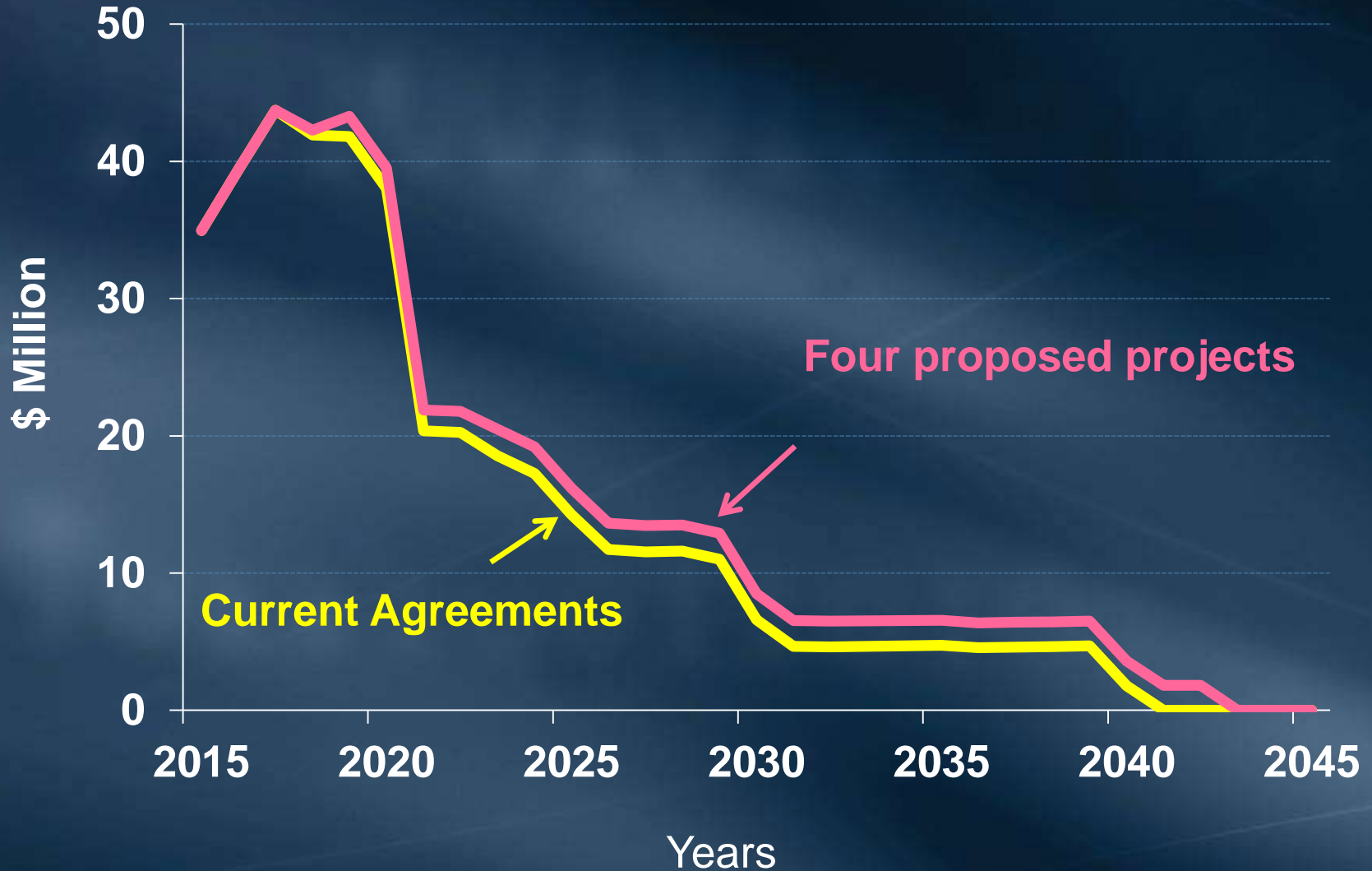


# November 2016 LRP Board Letters

Member Agency	Project	Contract Yield (AFY)	Max. LRP Payments (\$M)	Max. Yield over 25 years (AF)
LADWP	North Hollywood Water	300	2.6	7,500
LADWP				50
Eastern				500
Torrance	Project	10,000	76.3	250,000
	Total	16,150	123.8	403,750

**Staff estimate for four projects is \$44 M**  
**Fixed rate agreements are subject to negotiation and we believe the incentives will be less than \$305/AF**

# Projected LRP Expenditures



# Key Agreement Terms

- Each agreement is for 25 years
- Incentives
  - Sliding scale incentives up to \$340/AF for both LADWP projects
  - Fixed incentives up to \$305/AF for Perris II Desalter and GRIP projects
- Performance provisions
- Annual production assessment or cost reconciliation

# Four Separate Board Actions

# Board Options: Item 7-2

## (North Hollywood Water Recycling Project)

### Option 1:

- Adopt the CEQA determination for the project
- Authorize entering into a Local Resources Program agreement with Los Angeles Department of Water and Power for the project

### Option 2:

- Do not authorize execution of LRP agreement for the project

# Board Options: Item 7-3

## (Sepulveda Basin Sports complex Water Recycling Project)

### Option 1:

- Adopt the CEQA determination for the project
- Authorize entering into a Local Resources Program agreement with Los Angeles Department of Water and Power for the project

### Option 2:

- Do not authorize execution of LRP agreement for the project



# Board Options: Item 7-4

## (Perris II Brackish Groundwater Desalter Project)

### Option 1:

- Adopt the CEQA determination for the project
- Authorize entering into a Local Resources Program agreement with Eastern MWD for the project

### Option 2:

- Do not authorize execution of LRP agreement for the project

# Board Options: Item 7-5

## (Groundwater Reliability Improvement Program Recycled Water Project)

### Option 1:

- Adopt the CEQA determination for the project
- Authorize entering into a Local Resources Program agreement with Torrance and Water Replenishment District for the project

### Option 2:

- Do not authorize execution of LRP agreement for the project

# Staff Recommendation

Option #1 for all four projects

