



Review of Local Resources Program Target

Water Planning and Stewardship Committee
Item 9-4
September 10, 2018

Local Resources Program

- Provides incentives to develop local resources
- Helps to meet IRP goals
- Total incentives of \$631 million for 107 projects with production of 3.7 million AF
- LRP agreement terms
 - Up to 25 years
 - Pay for performance



Policy Principles for Local Resources Development

- Adopted by the Board in 2017
- Active role in developing local resources
- Multiple approaches to increase local resources
- Factors to consider
 - Impacts to Metropolitan existing infrastructure and system redundancy
 - Total cost and Metropolitan financial exposure

C&LR Committee Engagement

- Several presentations and reports
- In-depth discussions on local resources
 - Groundwater, stormwater, and recycled water
 - IRP target and need for local resources
- Member Agency Managers update and discussions
- Received positive feedback on LRP
 - LRP helps develop local projects
- LRP refinements
 - Increase remaining LRP target of 68,000 AFY
 - Inclusion of stormwater and other resources
 - LRP criteria

Local Supply Needed to Reach IRP Target



Potential Actions to Maintain and Increase Local Supplies

- Agency's proposed local projects
 - Some may be eligible for LRP funding
- Protect groundwater supplies
- Regional Recycled Water Program

Interim LRP Target Yield

Purpose of LRP Target

- Guides staff to solicit additional local projects
- Sends a positive long-term signal to agencies
- Frames Metropolitan's financial exposure
- The Board approves each LRP contract

Program Status

Last LRP Target was authorized by the Board in 2007

2007 LRP Target	174,000 AFY
Approved projects since 2007*	<u>106,000 AFY</u>
Current remaining balance	68,000 AFY

Agencies are considering additional local projects

Submitted applications**	105,000 AFY
Future applications	<u>65,000 AFY</u>
	170,000 AFY

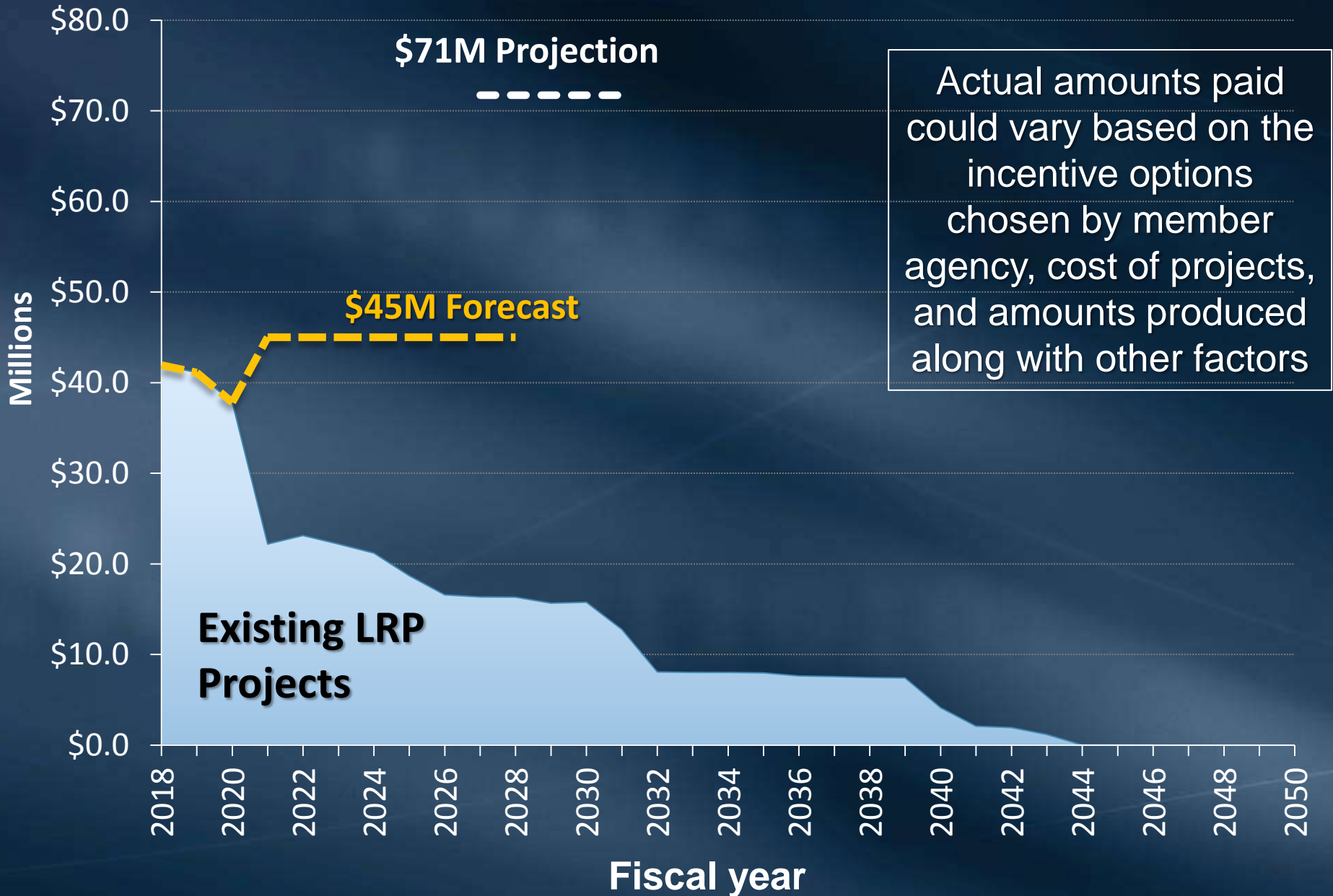
* Adjusted for projects with rescinded/reduced capacity

** Reflects applications for projects that are not already operating

Proposed Interim LRP Target

- An interim target of 150,000 AFY
 - Clear need for additional local supplies
 - Projects under development could move forward
 - Complementary to other actions
- Revisit and update the interim target through 2020 IRP Update

Estimated Fiscal Impact (150 TAFY)



Next Steps

- Establish interim LRP target
 - Incorporate Committee feedback
 - Potential Board action next month
- Other refinements
 - Program criteria
 - Stormwater/other resources

