



**Authorize entering into Local Resources Program
Agreement with the
Central Basin Municipal Water District**

Water Planning and Stewardship Committee

Item 7-4

May 13, 2019

Local Resources Program

Provides incentives for Metropolitan's member agencies to develop new local projects to reduce demand on imported water deliveries.



Recycled
Water



Groundwater
Recovery



Seawater
Desalination

Local Resources Program Benefits



Helps increase regional water supply reliability



Reduce demands for imported water supplies



Benefits all member agencies

regardless of project location



Decreases the burden on Metropolitan's infrastructure



SB 60

Incentive Payment Structures

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

* Pay for project water used

** Project must produce for 25 years



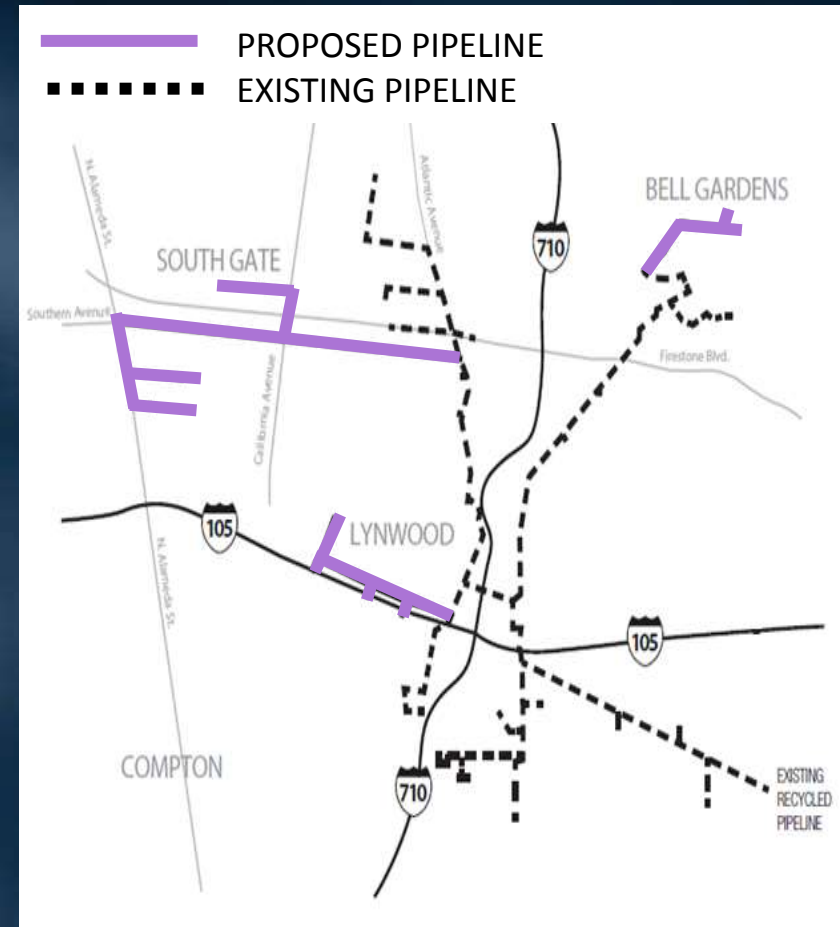


Local Resources Program Status

Type	Number of Projects	Contract Yield (AFY)	Deliveries to Date (AF)	Incentives to Date (\$M)
● Recycling	81	312,000	3,040,000	518
● Groundwater Recovery	25	117,000	1,010,000	168
Total	106	429,000	4,050,000	686

CBMWD Recycled Water Expansion Phase I Project

- Recycled water distribution system expansion to serve customers in Cities of Bell Gardens, Lynwood, South Gate, and Santa Fe Springs
- 42,000 ft. of 8"–20" pipeline
- 500 AFY capacity
- Irrigation for parks, schools, municipal properties, and industrial use



CBMWD Recycled Water Expansion Phase I Project Agreement Terms



Alternative 1 -Sliding scale incentive
\$340/AF over 25 years



12,500 AF maximum LRP contract yield
\$4.2 million maximum contract payment



Annual production assessment &
cost reconciliation



Performance Provisions

Board Options: Item 7-4

Option #1:

- Review and consider Mitigated Negative Declarations, Addenda, Mitigation Monitoring and Reporting Programs, and Notice of Exemption
- Adopt the Lead Agency's findings
- Authorize the General Manager to enter in to a LRP agreement with CBMWD

Option #2:

- Do not authorize execution of LRP agreement for the project

Staff Recommendation

Option #1

