



Authorize entering into Local Resources Program Agreement with the Upper San Gabriel Valley Municipal Water District and La Puente Valley County Water District

Water Planning and Stewardship Committee
Item 7-2
August 19, 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
(1981)



Groundwater
Recovery
(1991)



Seawater
Desalination
(2014)

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

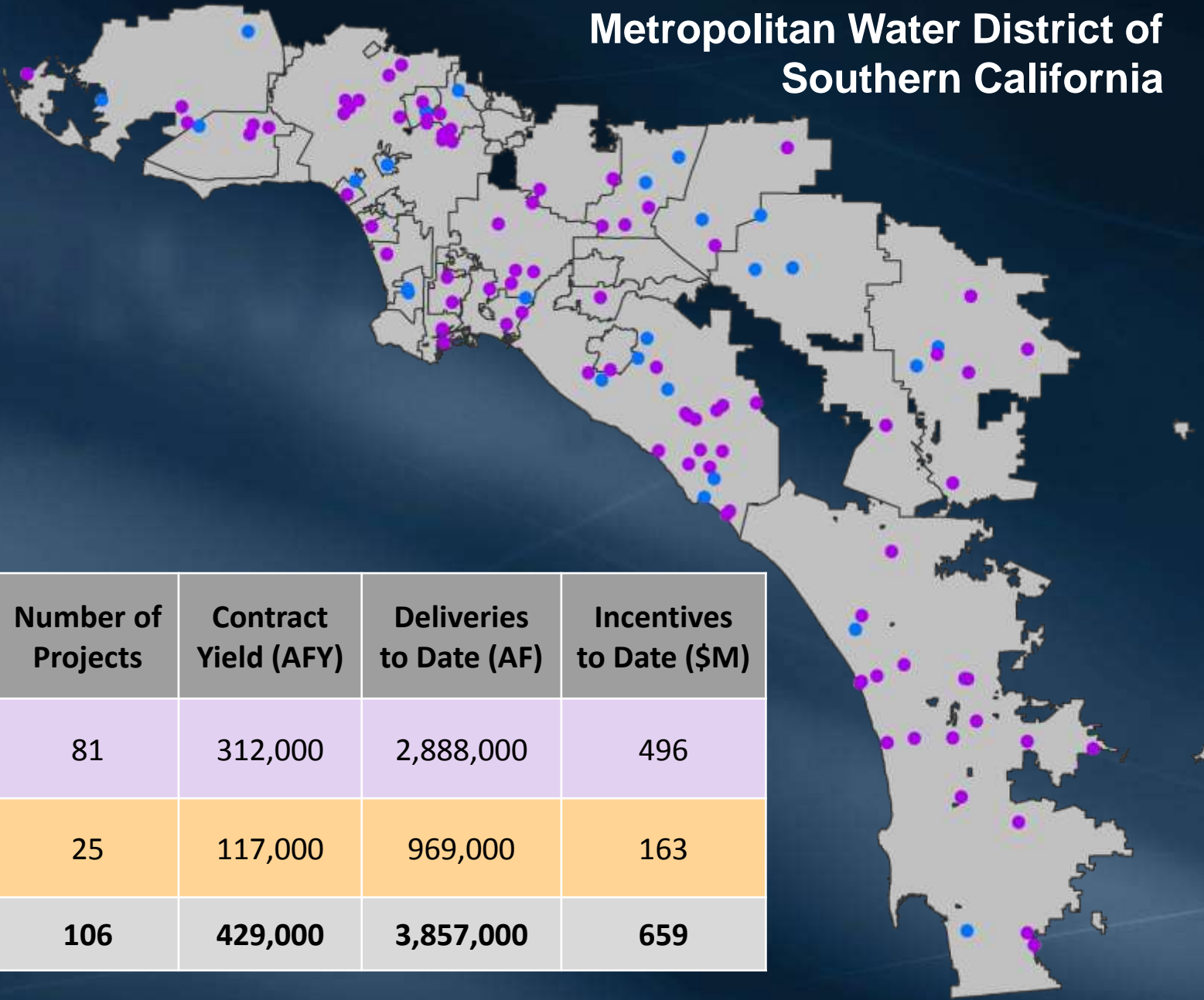
Payment Structure Alternatives	Maximum* Incentive Amount	Payment Period
1 – Sliding Scale	\$340/AF	25 years
2 – Sliding Scale**	\$475/AF	15 years
3 – Fixed Incentive Rate	\$305/AF	25 years

* Pay for project water used

** Project must produce for 25 years



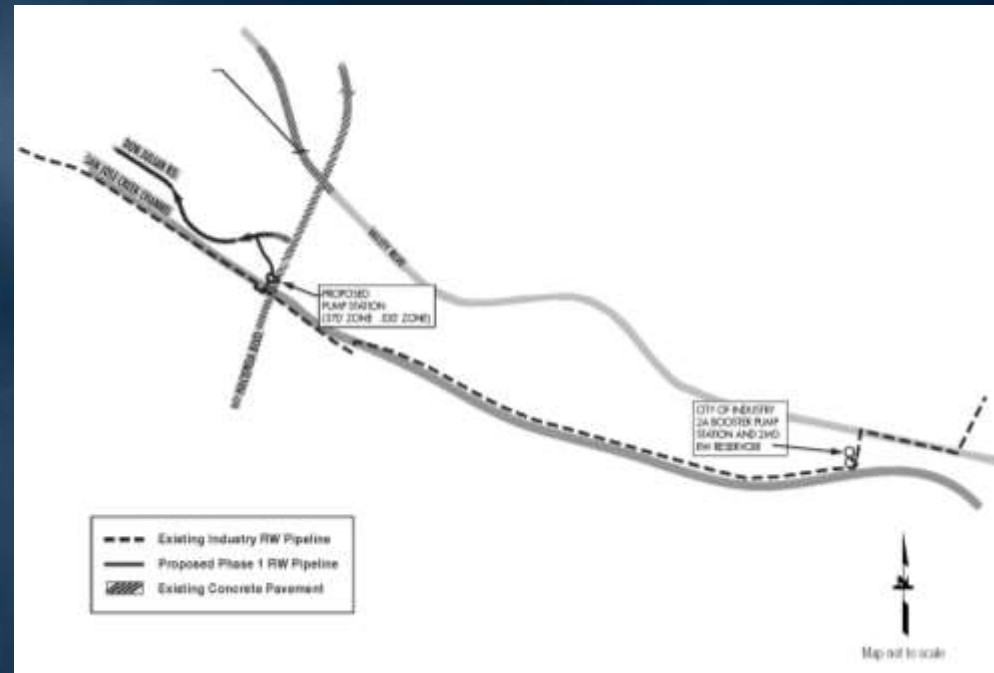
Metropolitan Water District of Southern California



Type	Number of Projects	Contract Yield (AFY)	Deliveries to Date (AF)	Incentives to Date (\$M)
● Recycling	81	312,000	2,888,000	496
● Groundwater Recovery	25	117,000	969,000	163
Total	106	429,000	3,857,000	659

La Puente Recycled Water Project

- Deliver recycled water to customers in the City of Industry
- 4,100 ft. of pipeline
- Booster pump station
- 60 AFY capacity
- Landscape irrigation



La Puente Recycled Water Project Agreement Terms



60 AFY over 25 years

Sliding scale incentive up to \$340/AF



\$510,000 maximum contract payment

1,500 AF maximum LRP contract yield



Annual production assessment &
cost reconciliation



Performance provisions

Board Options: Item 7-2

Option 1:

- Review and consider information provided in the adopted Final Mitigated Negative Declaration and Addendum
- Adopt the Lead Agency's findings
- Authorize the General Manager to enter in to a LRP agreement with USGVMWD and LPVCWD for the project

Option 2:

- Do not authorize execution of LRP agreement for the project

Staff Recommendation

Option #1

