



Authorize entering into Local Resources Program agreement with the San Diego County Water Authority and Fallbrook Public Utility District

Water Planning and Stewardship Committee
Item 8-4
September 9, 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
(1982)



Groundwater
Recovery
(1991)



Seawater
Desalination
(2014)

Local Resources Program Benefits



Benefits
all member agencies
regardless of project
location



Increases regional water
supply reliability

Reduces demand for
imported water supplies



Decreases the burden on
Metropolitan's infrastructure



SB 60

Incentive Payment Structures

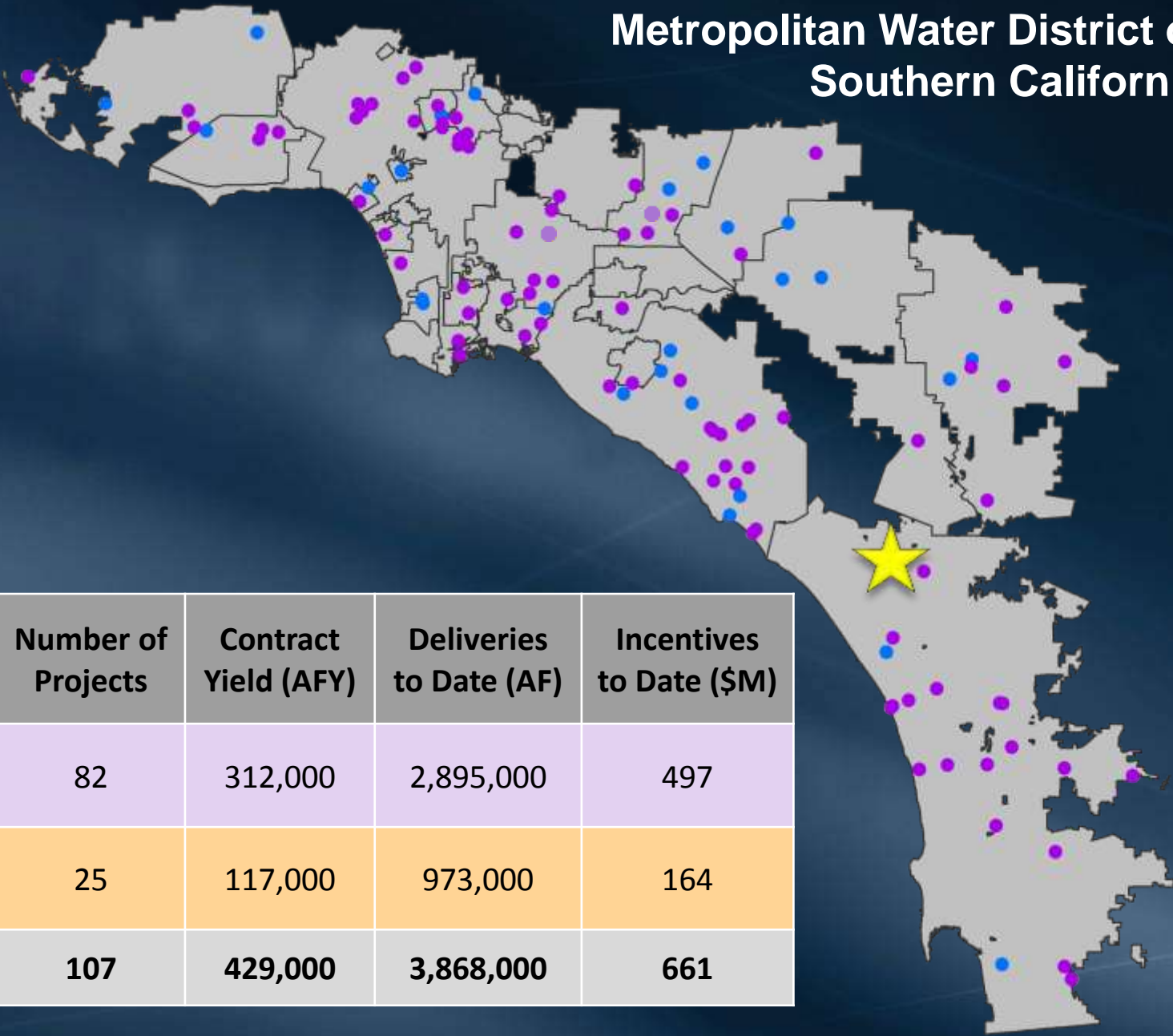
Payment Structure Alternatives	Maximum* Incentive Amount	Payment Period
1 – Sliding Scale	\$340/AF	25 years
2 – Sliding Scale**	\$475/AF	15 years
3 – Fixed Incentive Rate	\$305/AF	25 years

* 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	82	312,000	2,895,000	497
● Groundwater Recovery	25	117,000	973,000	164
Total	107	429,000	3,868,000	661

Fallbrook Groundwater Desalter Project

- Treat degraded groundwater for potable use
- Treatment plant
- Pipes, pumps, storage
- 3,100 AFY capacity



Fallbrook Groundwater Desalter Project - Agreement Terms



3,100 AFY over 25 years

Fixed incentive up to \$305/AF



\$24 million maximum lifetime contract payment

77,500 AF maximum LRP contract yield



Performance Provisions

- Start of construction and operation
- Production targets every four years

Board Options: Item 8-4

Option 1:

- Review and consider information provided in the adopted EIS/EIR and Addendum
- Adopt the Lead Agency's findings and Mitigation Monitoring and Reporting Programs
- Authorize the General Manager to enter in to a LRP agreement with SDCWA and FPUD for the project

Option 2:

- Do not authorize execution of LRP agreement for the project

Staff Recommendation

Option #1

