



Authorize Entering into Local Resources Program Agreement with the San Diego County Water Authority and City of Oceanside

Water Planning and Stewardship Committee

Item 8-4

November 4, 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

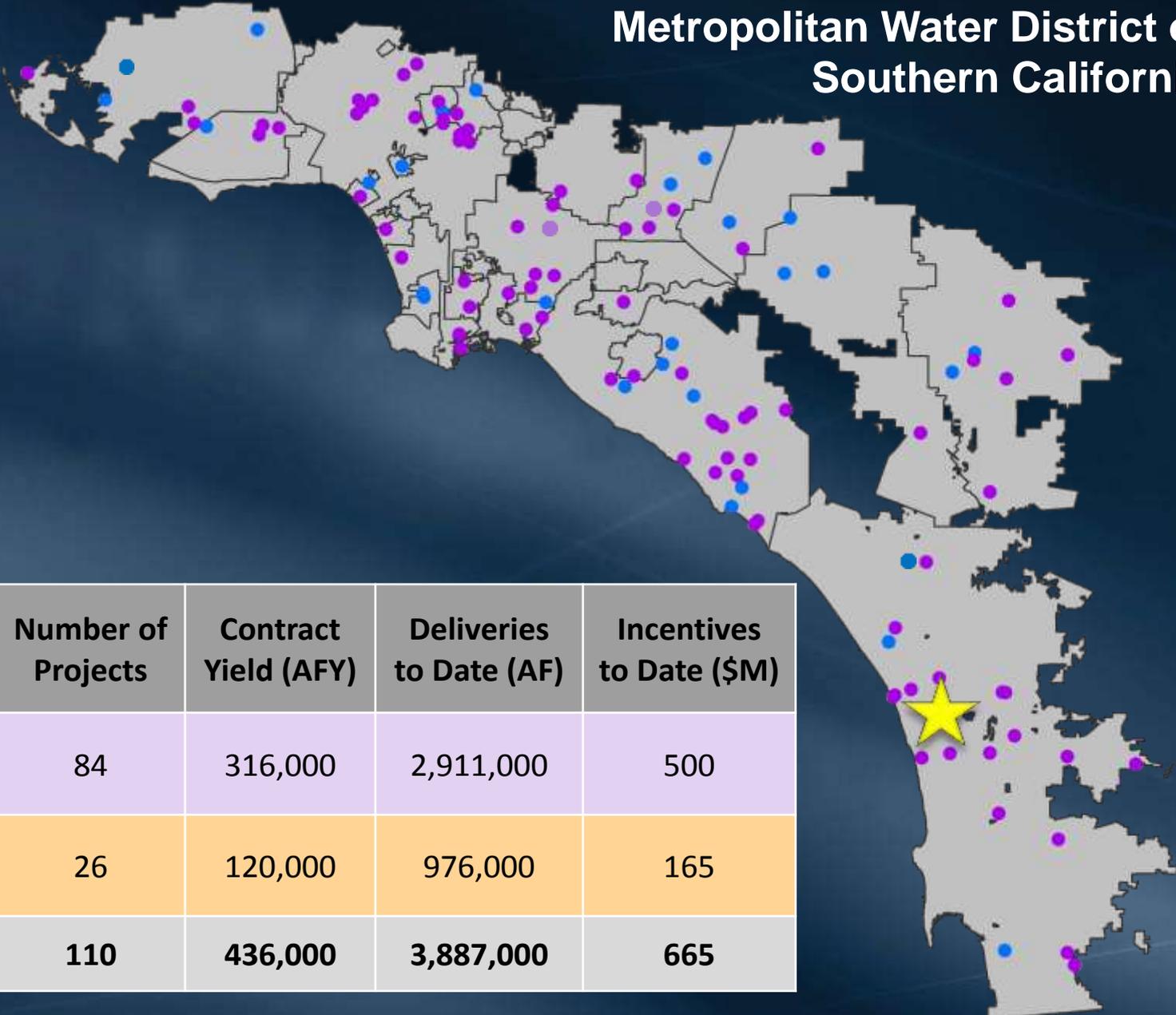


Decreases the burden on
Metropolitan's infrastructure



Legislative Mandate
(SB 60 - 1999)

Metropolitan Water District of Southern California



Type	Number of Projects	Contract Yield (AFY)	Deliveries to Date (AF)	Incentives to Date (\$M)
● Recycling	84	316,000	2,911,000	500
● Groundwater Recovery	26	120,000	976,000	165
Total	110	436,000	3,887,000	665

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



Oceanside Pure Water and Recycled Water Expansion Project

- Recycled water for groundwater recharge for potable purposes
- Recycled water for agricultural & landscape irrigation
- Treatment plant, pump stations, pipelines
- Injection wells
- Storage tanks
- 6,000 AFY capacity



Oceanside Pure Water and Recycled Water Expansion Project- Agreement Terms



6,000 AFY over 25 years

Sliding scale incentives up to \$475/AF for 15 years



\$42.7 million maximum lifetime contract payment

150,000 AF maximum LRP contract yield over 25 years



Performance Provisions

- Production required over 25 years
- Start of construction and operation
- Production targets every four years

Board Options

Option 1:

- Review and consider the approved/certified CEQA documents and take related CEQA actions
- Authorize the General Manager to enter into a Local Resources Agreement with the San Diego County Water Authority and the City of Oceanside for the Oceanside Pure Water and Recycled Water Expansion Phase I Project for up to 6,000 AFY of recycled water under the terms included in the Board letter

Option 2:

- Do not authorize execution of an agreement for the Project.

Staff Recommendation

Option #1

