



Authorize entering into Local Resources Program Agreement with the San Diego County Water Authority and City of San Diego for San Diego Pure Water North City Project Phase 1

Water Planning and Stewardship Committee

Item 8-9

December 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

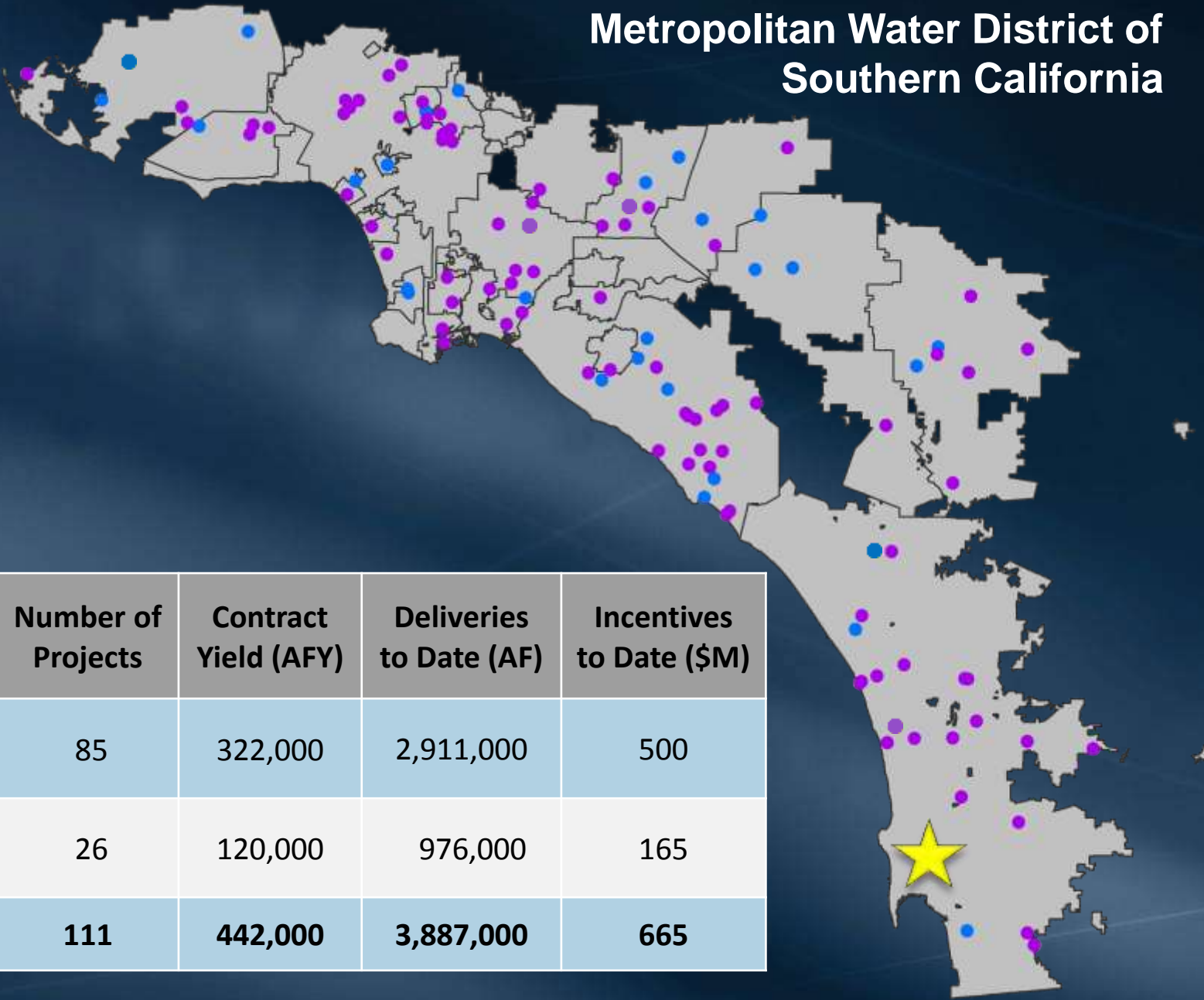


Decreases the burden on
Metropolitan's infrastructure



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	85	322,000	2,911,000	500
● Groundwater Recovery	26	120,000	976,000	165
Total	111	442,000	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



San Diego Pure Water North City Project Phase 1

- Recycled water for surface water augmentation for potable purposes
- Treatment plant, pump stations, pipelines, influent structure to Miramar Reservoir
- 33,600 AFY capacity



San Diego Pure Water North City Project Phase 1 - Agreement Terms



33,600 AFY over 25 years

Sliding scale incentives up to \$340/AF for 25 years



\$285.6 million maximum lifetime contract payment

840,000 AF maximum LRP contract yield



Performance Provisions

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

Board Options

Option #1:

- Review and consider the Lead Agency's certified Final EIR/EIS and take related CEQA actions, and authorize the General Manager to enter into a Local Resources Program Agreement with the San Diego County Water Authority and the City of San Diego for the San Diego Pure Water North City Project Phase 1 for up to 33,600 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

