



Authorize entering into Local Resources Program Agreement with the San Diego County Water Authority and City of Escondido for the Escondido Membrane Filtration Reverse Osmosis Facility

Water Planning and Stewardship Committee
Item 7-9

July 13, 2020

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

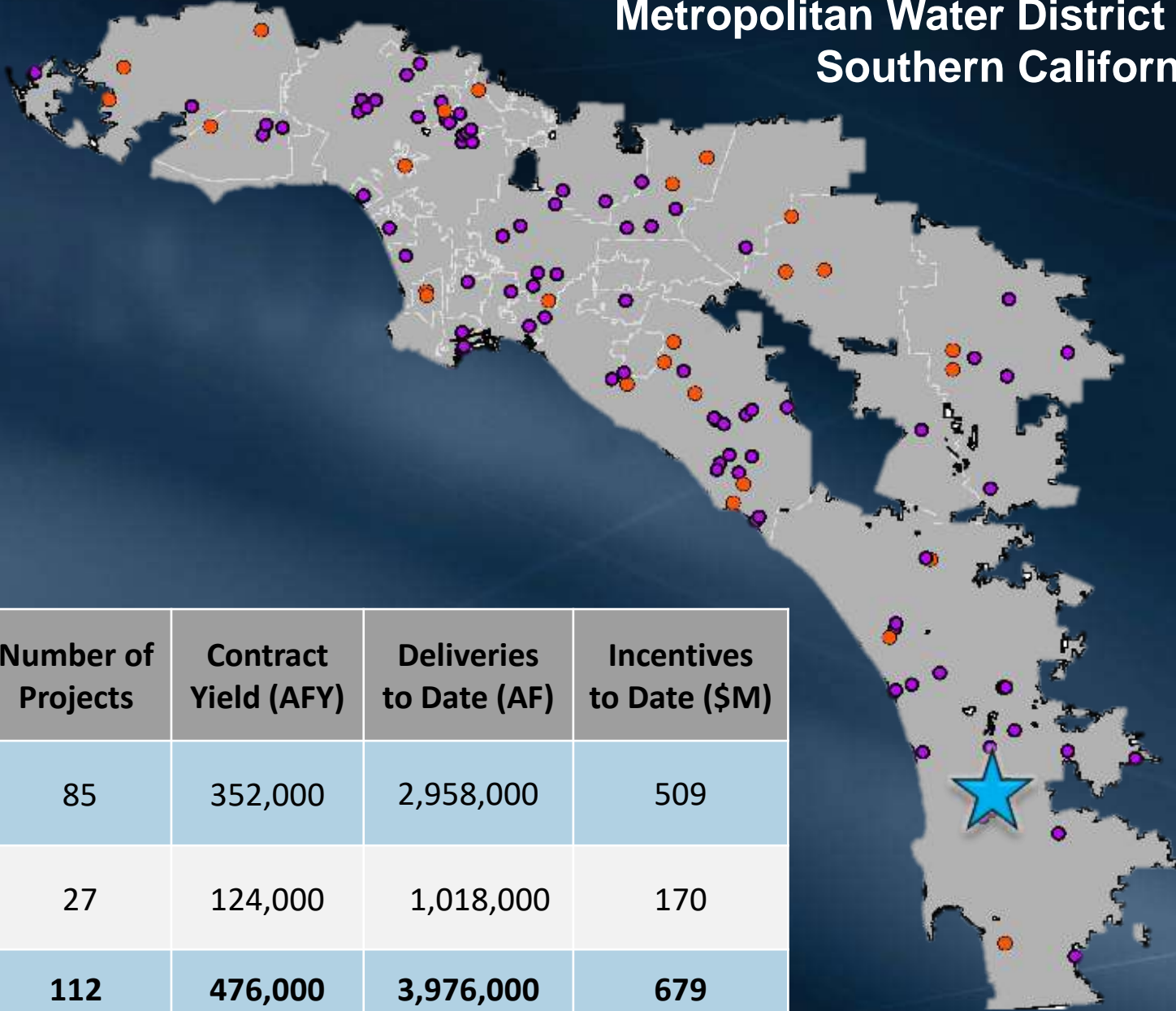


Decreases the burden on
Metropolitan's infrastructure



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	352,000	2,958,000	509
● Groundwater Recovery	27	124,000	1,018,000	170
Total	112	476,000	3,976,000	679

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

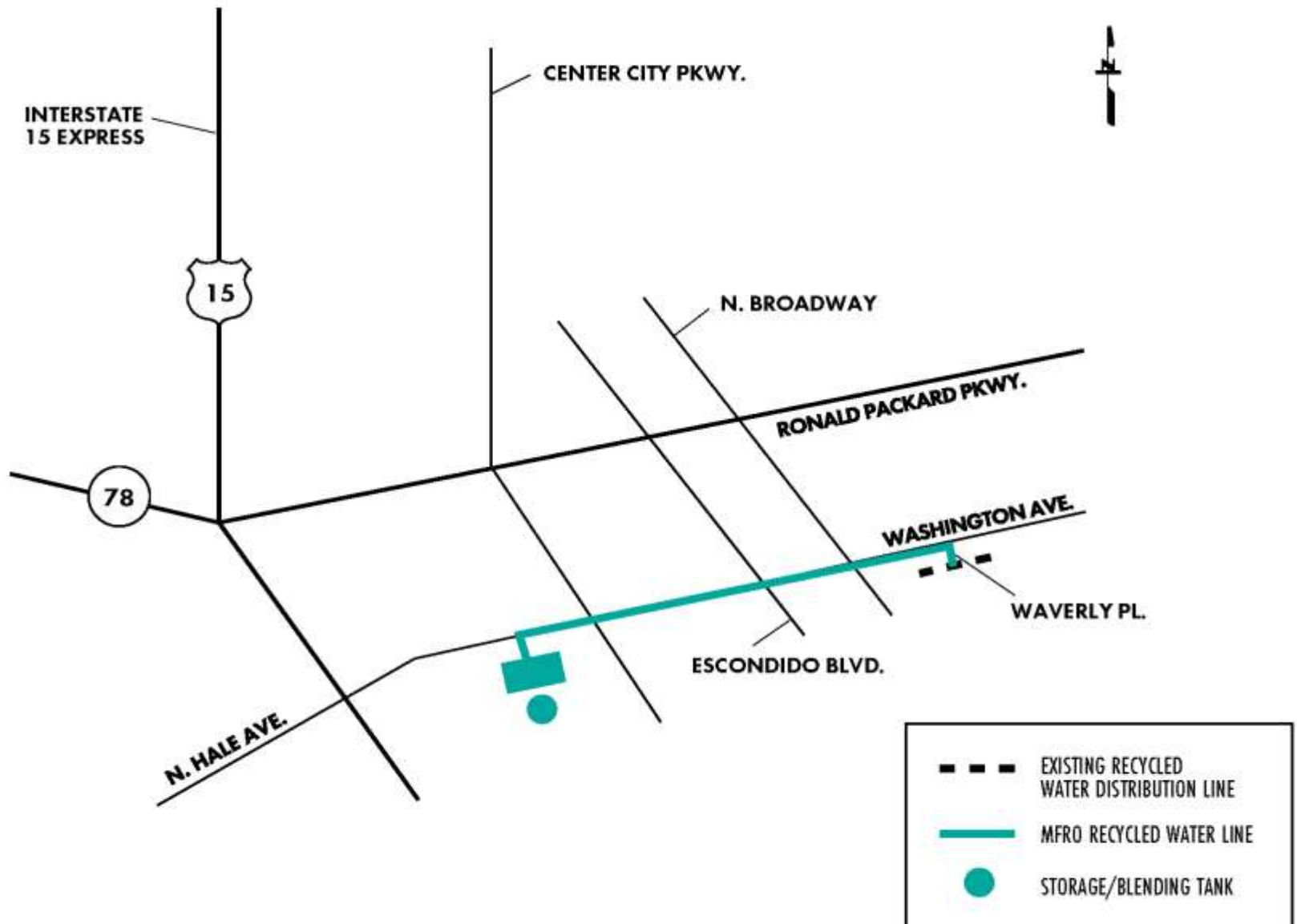
** Project must produce for 25 years



Escondido Membrane Filtration Reverse Osmosis (MFRO) Facility

- Advanced treated recycled water for agricultural irrigation
- Advanced wastewater treatment facility, storage tank, pipelines
- 3,280 AFY capacity

ESCONDIDO MFRO FACILITY



Escondido MFRO Facility Agreement Terms



3,280 AFY over 25 years

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



\$23.4 million maximum lifetime contract payment

82,000 AF maximum 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; and
- Authorize the General Manager to enter into a Local Resources Program Agreement with the San Diego County Water Authority and the City of Escondido for the Escondido Membrane Filtration Reverse Osmosis Facility Project for up to 3,280 AFY of advanced treated recycled water under the terms included in this letter.

Option #2:

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

Staff Recommendation

Option #1

