



● **Board of Directors**  
***Engineering and Operations Committee***

6/8/2021 Board Meeting

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**7-4**

**Subject**

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Adopt resolution to support Metropolitan's \$6,250,000 WaterSMART: Title XVI WIIN Water Reclamation and Reuse grant application and authorize the General Manager to accept funding and enter contract if awarded; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

**Executive Summary**

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This action: (1) adopts a resolution supporting a grant application; and (2) authorizes the General Manager to accept up to \$6,250,000 in grant funding and enter into a contract with the U.S. Bureau of Reclamation (Reclamation) for the WaterSMART: Title XVI WIIN Water Reclamation and Reuse Program grant funding for fiscal year 2021 (Title XVI WIIN grant).

On April 22, 2021, Metropolitan submitted a grant application to Reclamation requesting \$6,250,000 to help develop environmental documentation, technical studies, and other associated planning and design work to support development of the Regional Recycled Water Program (RRWP). If awarded, Metropolitan would use up to \$18.75 million from the existing RRWP environmental documentation budget as the required 75 percent cost-share match. Staff anticipates using approximately \$3.8 million from our partner, the County Sanitation District No. 2 of Los Angeles County (Sanitation District) as part of the required \$18.75 million local match. Metropolitan would be able to fulfill the local match requirements if the Sanitation District funding is not available at the time of the agreement.

**Timing and Urgency**

The WaterSMART funding announcement requires a board resolution supporting the grant proposal. Typically required within 30 days of the application deadline, Reclamation granted another 60 days for Metropolitan to adopt the resolution.

**Details**

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**Background**

The U.S. Bureau of Reclamation through the WaterSMART: Title XVI WIIN Water Reclamation and Reuse Projects funding for fiscal year 2021 invited proposals from sponsors of projects eligible under section 4009(c) of the WIIN Act to request funding for planning, design, and or construction of those projects. Reclamation's website currently lists 54 projects eligible for this funding. The funding opportunity requested eligible proponents to apply for up to 25 percent or up to \$20 million for costs incurred between Reclamation's approval of feasibility study and September 30, 2023. Reclamation approved the RRWP feasibility study on April 6, 2020. Funding is highly competitive because the Title XVI WIIN grant has a limited budget estimated at \$20 million for fiscal year 2021 and anticipates funding up to eight projects. Applications will be evaluated on criteria such as water supply, environment and water quality, economic benefits, Reclamation benefits, and watershed perspective. If selected, applicants must provide at least a 75 percent local cost-share and incur expenses before September 30, 2023.

The grant requires a board resolution (**Attachment 1**) that supports the application; authorizes the General Manager to accept funding; delegates authority to the General Manager to enter into contract(s); recognizes that Metropolitan is capable of providing the matched funding; and commits Metropolitan to work with Reclamation

to meet established deadlines. The resolution does not obligate Metropolitan to accept funding. Metropolitan has the discretion to accept or decline potential funding after award.

In accordance with Metropolitan's approved Legislative Priorities and Principles, Metropolitan took actions to initiate, expedite, and secure funding for the RRWP and related projects for the past several years. In May 2017, the State Water Resources Control Board (SWRCB) awarded Metropolitan four \$75,000 planning grants, totaling \$300,000, under the Water Recycling Funding Program for groundwater studies. In August 2019, the SWRCB awarded Metropolitan a \$1 million pilot project grant for evaluation of the membrane bioreactor for potable reuse treatment. In September 2020, Reclamation awarded Metropolitan \$750,000 for Demonstration of Pathogen Removal through an Alternative treatment technology to treat non-nitrified secondary effluent for potable reuse. These grants, now totaling \$2.05 million, help develop innovative treatment technology and offset the cost for the development of a full-scale regional recycled water program.

In November 2020, the Board authorized \$30 million for the preparation of environmental documentation, technical studies, and public outreach activities for the RRWP. If selected for the grant, up to \$18.75 million would be used from Metropolitan and RRWP partners as the local cost-share. The \$6.25 million requested from Reclamation will be used to expand collaboration and help offset the costs to develop environmental documentation, technical studies, and other associated planning work to advance the RRWP. Some additional environmental documentation and technical studies are expected to continue after the grant's September 30, 2023, deadline for project costs.

#### ***Project Milestones***

- March 23, 2021 – Title XVI WIIN funding opportunity released
- April 22, 2021 – Metropolitan submitted RRWP application to Reclamation
- July 23, 2021 – Deadline to submit Board Resolution to Reclamation
- September 2021 – Expected grant award notification
- December 2023 – Progress and final reports due

#### **Policy**

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Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter into Contracts

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

#### **California Environmental Quality Act (CEQA)**

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##### **CEQA determination for Option #1:**

The proposed action is not defined as a project under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378) because the proposed action will not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not defined as a project under CEQA because it involves the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

##### **CEQA determination for Option #2:**

None required.

**Board Options**

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**Option #1**

Adopt the Board Resolution supporting the grant application, and:

- a. Authorize the General Manager to accept potential grant funding up to \$6,250,000.
- b. Delegate authority to the General Manager to enter into a grant contract with Reclamation, subject to the approval of the General Counsel, if awarded.
- c. Agree to fulfill the grant contract, including providing matching funds up to \$18.75 million with existing funding.
- d. State that Metropolitan, if awarded a grant, will work with Reclamation to meet the established deadlines upon entering the cooperative agreement.

**Fiscal Impact:** If awarded, the grant would reduce Metropolitan's expenditures by up to \$6.25 million.

**Business Analysis:** This option would expand collaboration with Reclamation and help reduce the cost of the development of a significant new water source in Southern California that would augment regional supplies for the entire service area to help with droughts, climate change, and seismic risks.

**Option #2**

Do not adopt resolution supporting grant application and do not authorize General Manager to accept funding and enter into grant contract(s) if awarded.

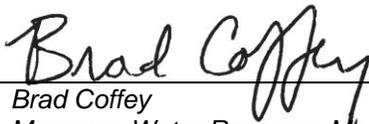
**Fiscal Impact:** \$0

**Business Analysis:** Metropolitan would miss an opportunity to expand collaboration with Reclamation and obtain up to \$6,250,000 in grant funding to help develop environmental documentation and technical studies.

**Staff Recommendation**

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Option #1

	5/20/2021
Brad Coffey Manager, Water Resource Management	Date

	5/21/2021
Jeffrey Lightinger General Manager	Date

**Attachment 1 – Board Resolution**

Ref# wrm12678435

Resolution for the Title XVI WIIN Grant Application

RESOLUTION

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE METROPOLITAN WATER DISTRICT OF  
SOUTHERN CALIFORNIA  
IN SUPPORT OF ITS PROPOSAL FOR FUNDING  
UNDER THE WATERSMART: TITLE XVI WIIN WATER RECLAMATION AND  
REUSE PROJECTS FOR FISCAL YEAR 2021 FOR THE METROPOLITAN WATER  
DISTRICT’S 150 MILLION GALLONS PER DAY REGIONAL RECYCLED WATER  
PROGRAM PROPOSAL**

WHEREAS, the U.S. Bureau of Reclamation (Reclamation) is requesting proposals from sponsors of projects eligible under section 4009(c) of the WIIN Act to request cost-sharing funding for planning, design, and/or construction of those projects through the WaterSMART: Title XVI WIIN Water Reclamation and Reuse Projects for Fiscal Year 2021 (TITLE XVI WIIN grant); and

WHEREAS, the submittal of a proposal for grant funding by Metropolitan has been determined to be exempt from the California Environmental Quality Act (CEQA) under Section 15378(b)(4) of the State CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Water District of Southern California that the Board supports the proposal, the Metropolitan Water District’s Regional Recycled Water Program, under Reclamation’s WaterSMART: Title XVI WIIN Water Reclamation and Reuse Project for Fiscal Year 2021.

BE IT FURTHER RESOLVED that Metropolitan’s Board authorizes Metropolitan’s General Manager or his/her designee to accept grant funding of up to \$6,250,000.

BE IT FURTHER RESOLVED that Metropolitan’s Board delegates’ legal authority to Metropolitan’s General Manager to enter into an agreement with Reclamation, subject to the approval of the General Counsel, relevant to receipt of the requested Title XVI WIIN grant.

BE IT FURTHER RESOLVED that Metropolitan is capable of providing the amount of funding and/or in-kind contributions specified in the funding plan.

BE IT FURTHER RESOLVED that if selected for funding, Metropolitan will work with Reclamation to meet established program deadlines.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held June 8, 2021.

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Secretary of the Board of Directors  
of The Metropolitan Water District  
of Southern California