



Authorize entering into Local Resources Program Agreement with the Municipal Water District of Orange County and Santa Margarita Water District for the Las Flores Recycled Water System Expansion Project

Water Planning and Stewardship Committee

Item 7-5

June 7, 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

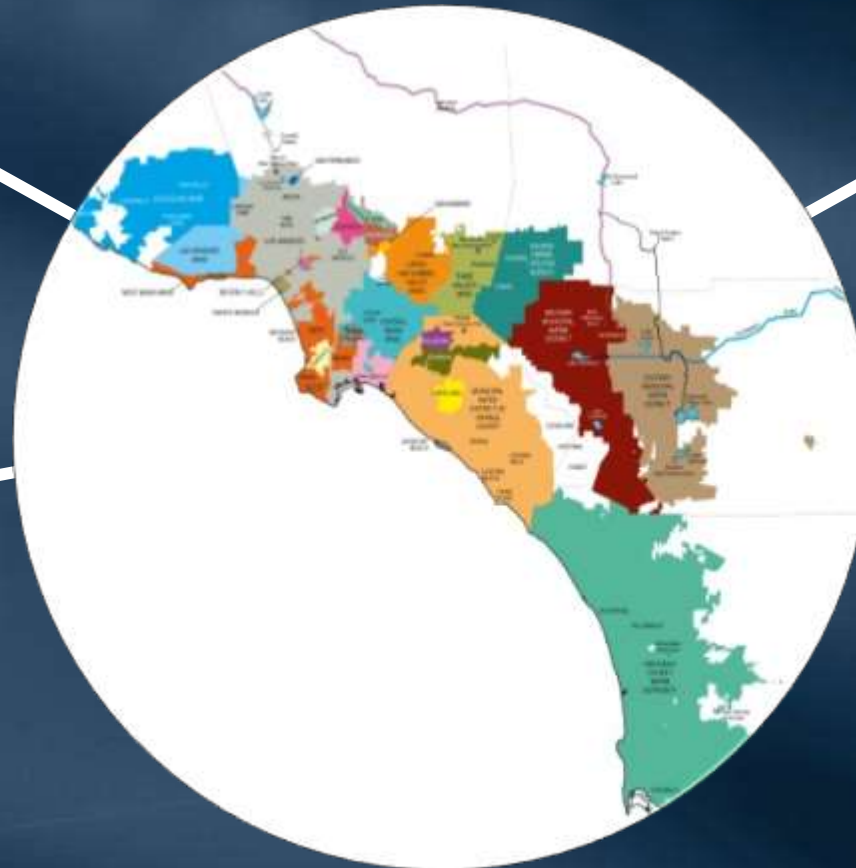


Increases regional water supply reliability



Decreases the burden on Metropolitan's infrastructure

Benefits all member agencies regardless of project location

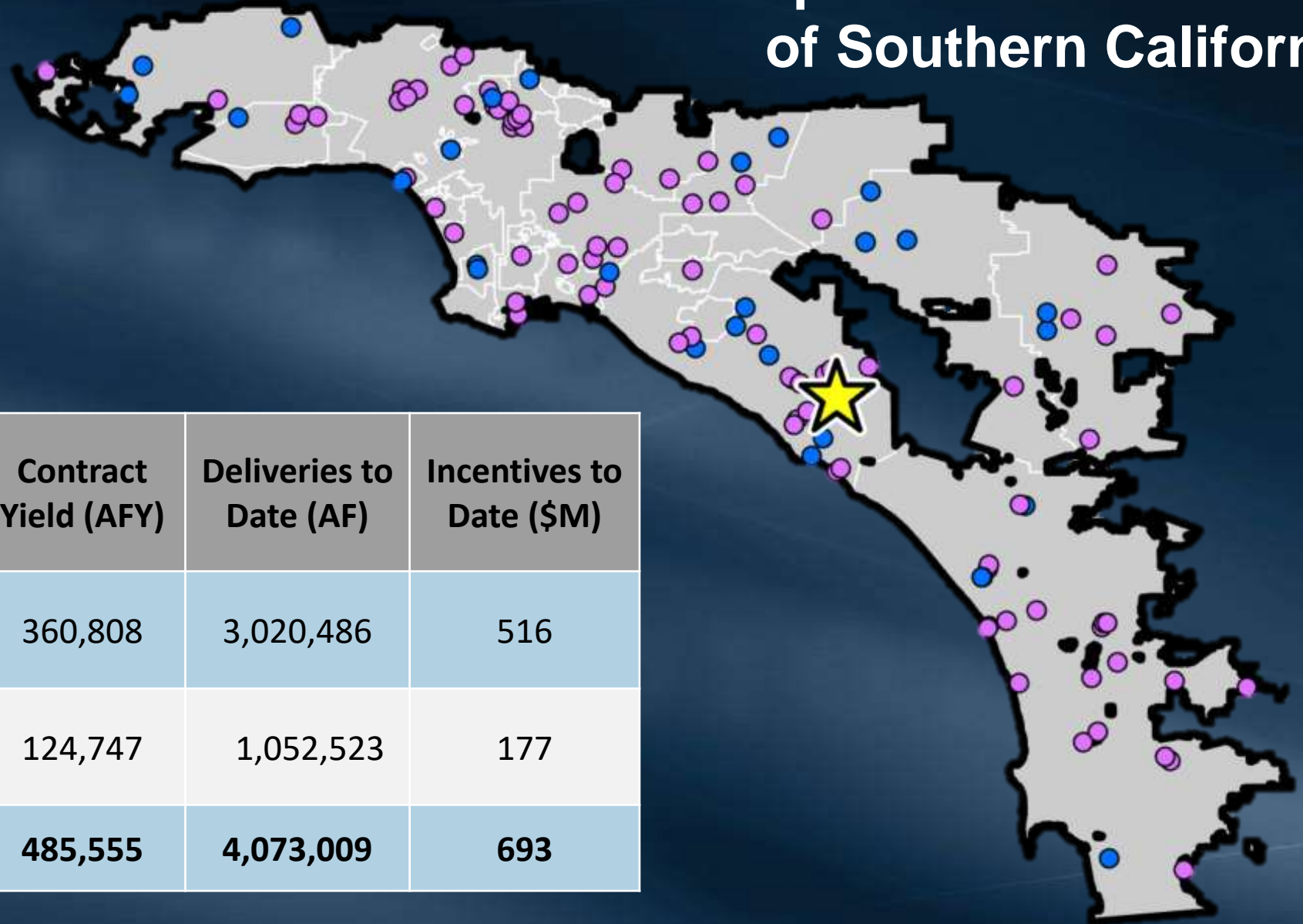


Reduces demand for imported water supplies



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	87	360,808	3,020,486	516
Groundwater Recovery	28	124,747	1,052,523	177
Total	115	485,555	4,073,009	693

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

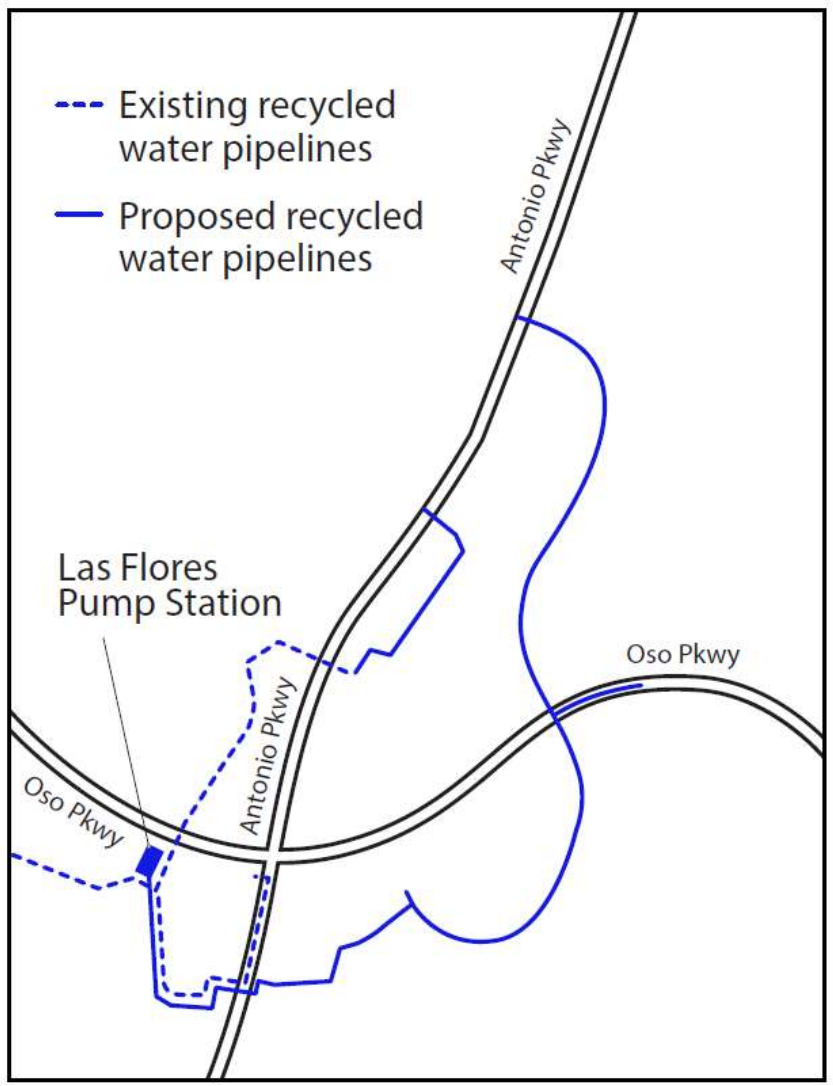
** Project must produce for 25 years



Las Flores Recycled Water System Expansion

- Conversion of 209 AF existing of potable water demands to recycled water for irrigation purposes
 - 12,000 feet of new recycled water distribution pipelines
 - Repurposed surplus sewer lift station will serve as a recycled water booster pump station

Las Flores Recycled Water System Expansion



Las Flores Recycled Water System Expansion Agreement Terms



209 AFY over 25 years

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



\$1.5 million maximum lifetime contract payment

5,225 AF maximum contract yield over 25 years



Performance Provisions

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

Board Options

Option #1:

- Review and consider the Santa Margarita Water District's approved Final Mitigated Negative Declaration and Addendum, adopt the Lead Agency's findings and Mitigation Monitoring and Reporting Program related to the proposed action;
- Authorize the General Manager to enter into a Local Resources Program Agreement with the Municipal Water District of Orange County and Santa Margarita Water District for the Las Flores Recycled Water Expansion Project for up to 209 acre-feet per year.

Option #2:

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

Staff Recommendation

- Option #1

