

# The Metropolitan Water District of Southern California

# Agenda

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

## **DMCP Committee**

J. Armstrong, Chair  
J. Abdo  
D. Alvarez  
L. Fong-Sakai  
R. Lefevre  
J. McMillan  
C. Miller  
T. Quinn  
M. Ramos

## **Subcommittee on Demand Management and Conservation Programs and Priorities**

Meeting with Board of Directors \*

**June 12, 2023**

**10:30 a.m.**

Agendas, live streaming, meeting schedules, and other board materials are available here: <https://mwdh2o.legistar.com/Calendar.aspx>. A listen only phone line is available at 1-877-853-5257; enter meeting ID: 873 4767 0235. Members of the public may present their comments to the Board or a Committee on matters within their jurisdiction as listed on the agenda via in-person or teleconference. To participate via teleconference (833) 548-0276 and enter meeting ID: 876 9484 9772 or click <https://us06web.zoom.us/j/87694849772?pwd=V3dGZGRYUjJ3allqdUxXTIJRM044Zz09>

**Monday, June 12, 2023  
Meeting Schedule**

**08:30 a.m. EOT  
10:30 a.m. DMCP  
12:30 p.m. Break  
01:00 p.m. LRAC  
03:00 p.m. OWS**

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MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

Teleconference Locations:

8700 Beverly Boulevard, Ste M313 • Los Angeles, CA 90048

3008 W. 82nd Place • Inglewood, CA 90305

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\* The Metropolitan Water District's meeting of this Committee is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to this Committee may participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to this Committee will not vote on matters before this Committee.

- 1. Opportunity for members of the public to address the committee on matters within the committee's jurisdiction (As required by Gov. Code Section 54954.3(a))**

**\*\* CONSENT CALENDAR ITEMS -- ACTION \*\***

- 2. CONSENT CALENDAR OTHER ITEMS - ACTION**

NONE

**\*\* END OF CONSENT CALENDAR ITEMS\*\***

- 3. SUBCOMMITTEE ITEMS**

- a. Update on Local Resources Program [21-2322](#)

**Attachments:** [06122023 DMCPP 3a Presentation](#)

- b. Conservation Update [21-2323](#)

**Attachments:** [06122023 DMCPP 3b Presentation](#)

#### 4. FOLLOW-UP ITEMS

NONE

#### 5. FUTURE AGENDA ITEMS

#### 6. ADJOURNMENT

**NOTE:** This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Committee agendas may be obtained on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>.

Requests for a disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.



Subcommittee on Demand Management and  
Conservation Programs and Priorities

# Update on Local Resources Program

Item 3a  
June 12, 2023

# Purpose

Provides incentives for Metropolitan's member agencies to develop new local projects to increase water supply reliability in the region



Recycled Water  
(1982)



Groundwater Recovery  
(1991)



Seawater Desalination  
(2014)

LOCAL RESOURCES PROGRAM

# Benefits



**Increases regional water supply reliability**



**Reduces demand for imported water supplies**



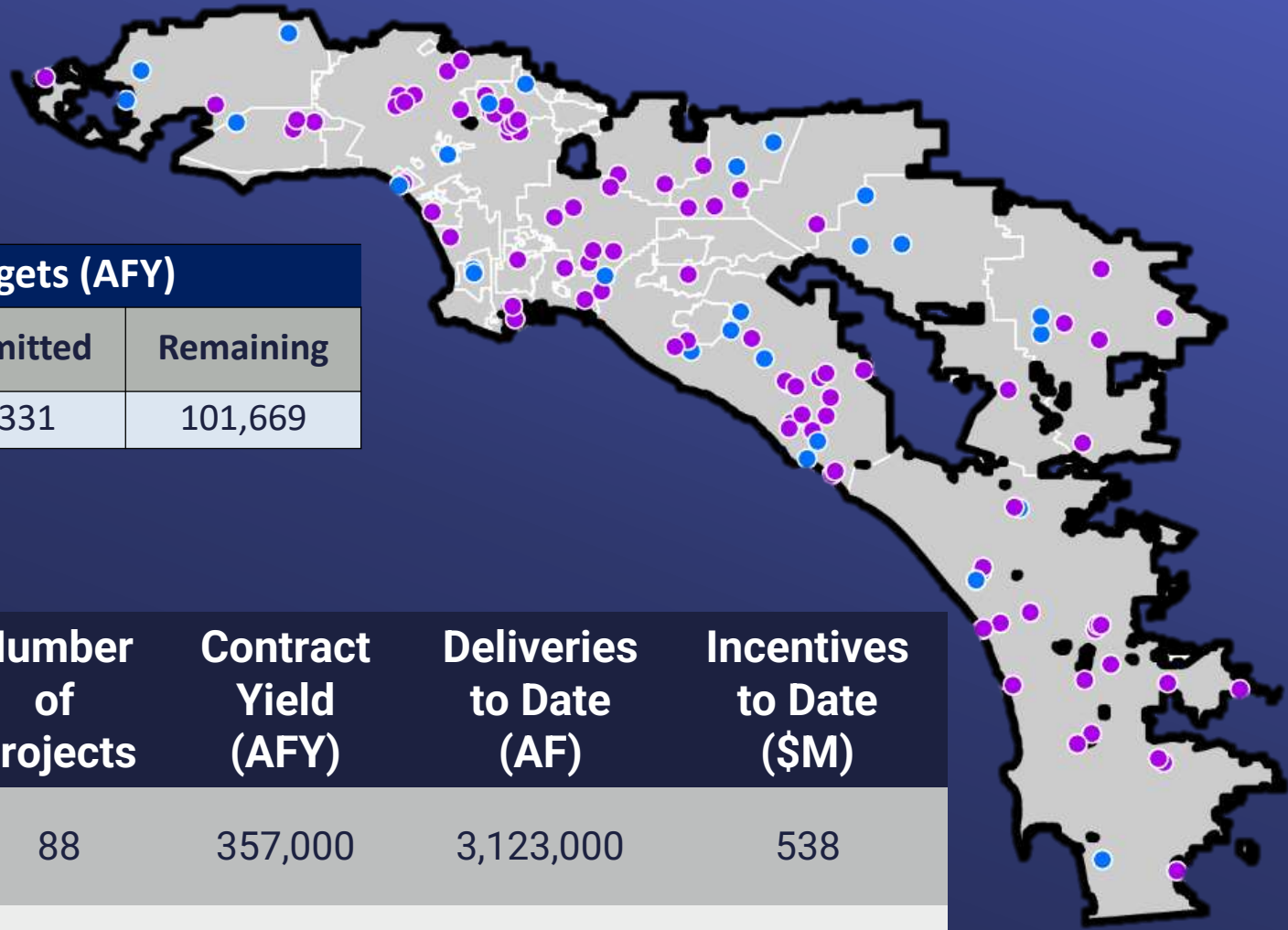
**Legislative Mandate (SB 60 - 1999)**



**Decreases the burden on Metropolitan's infrastructure**

LOCAL RESOURCES PROGRAM

# Summary To-Date

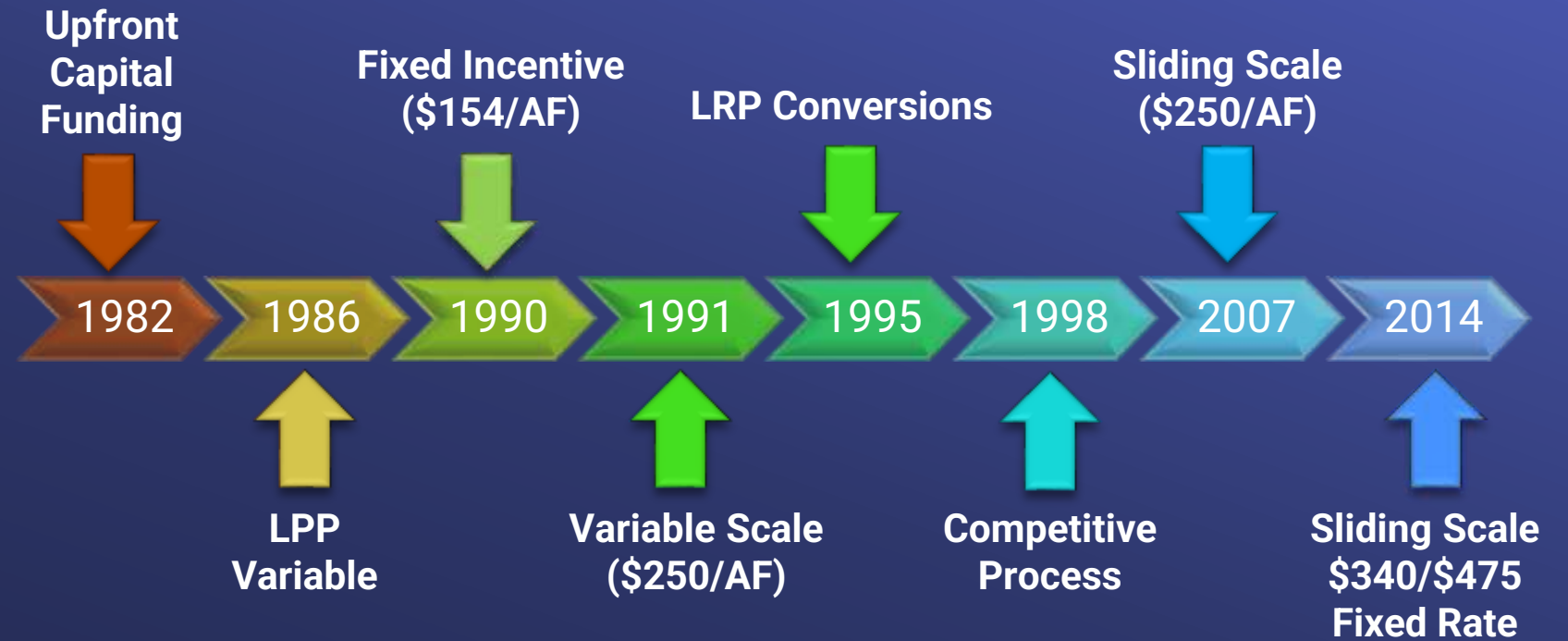


LRP Targets (AFY)		
Target	Committed	Remaining
170,000	68,331	101,669

Type	Number of Projects	Contract Yield (AFY)	Deliveries to Date (AF)	Incentives to Date (\$M)
Recycling ●	88	357,000	3,123,000	538
Groundwater Recovery ●	28	125,000	1,184,000	193
<b>Total</b>	<b>116</b>	<b>482,000</b>	<b>4,307,000</b>	<b>731</b>

LOCAL RESOURCES PROGRAM

# Evolution



- Add new resources and improve flexibility in response to feedback
- Program target helps meet long-term needs and signals continued commitment to local supply development

# Refinements



- Allowed three incentive payment options
- Included on-site retrofit costs for recycled water projects
- Inclusion of Seawater Desalination
- Reimbursable Services
  - Expedites the development of ready-to-proceed local projects
  - Metropolitan participation considers
    - Urgency of the need to accelerate specific projects
    - Availability of Metropolitan staff to dedicate to project
  - No Metropolitan financing. All direct and indirect costs reimbursed to Metropolitan



LOCAL RESOURCES PROGRAM

# Refinements



# Refinements



Framework for amending start of operation

- Approved by Board in June 2021
- Extension can be up to three years
- Agreement amendment requires Board approval

Framework for extending agreement date

- Approved by Board in October 2021
- Pause the agreement
- Extension can be up to three years
- Agreement amendment requires Board approval

LOCAL RESOURCES PROGRAM

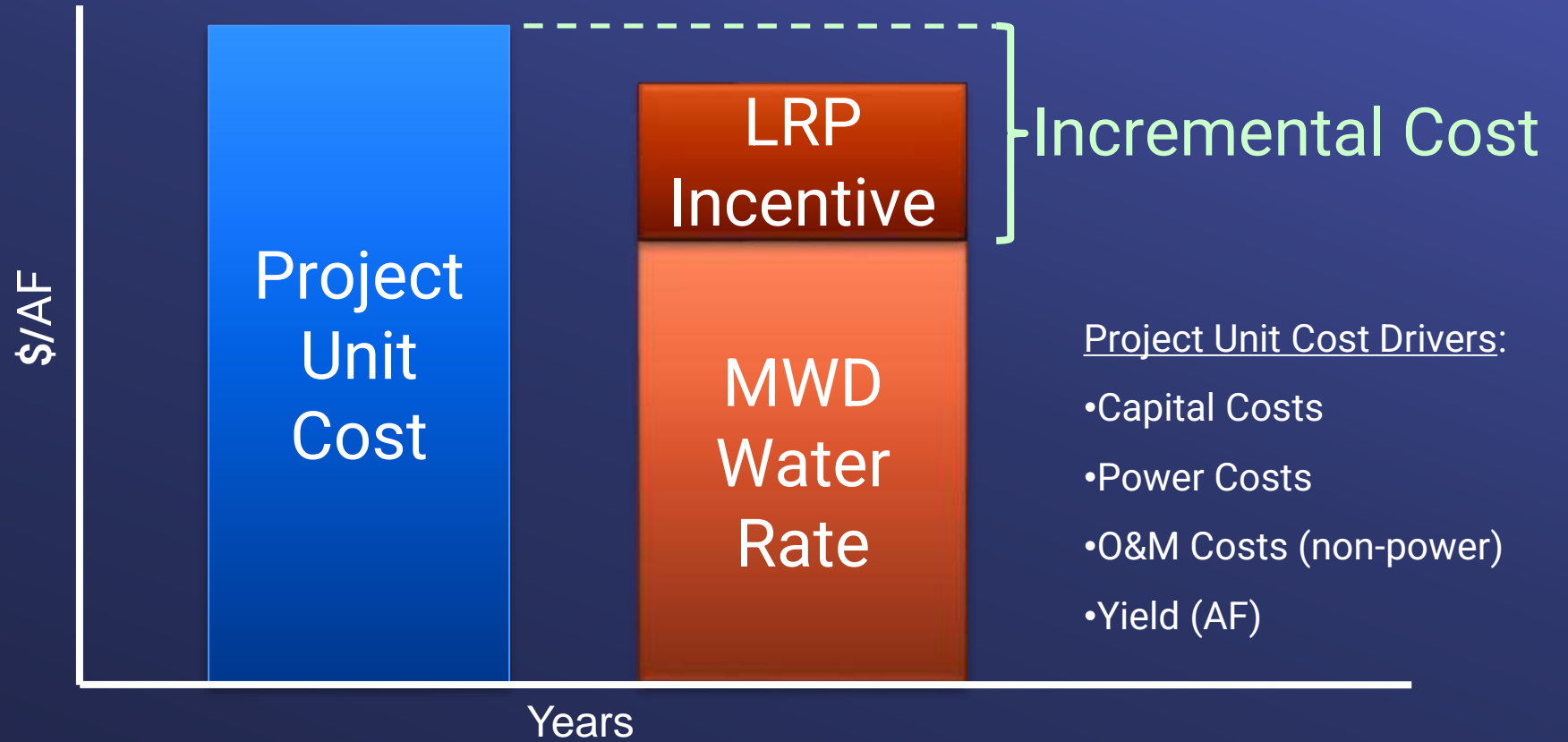
# Incentive Payment Structure



Payment Structure Alternatives	Payment Period	Performance Period	Maximum Incentive Amount*
1 – Sliding Scale	25 years	25 years	\$340/AF
2 – Sliding Scale	15 years	25 years	\$475/AF
3 – Fixed Incentive Rate	25 years	25 years	\$305/AF

LOCAL RESOURCES PROGRAM

# Sliding Scale Incentive Payment Calculations



LOCAL RESOURCES PROGRAM



# The Life of LRP Projects



Pure Water Oceanside (City of Oceanside)



LOCAL RESOURCES PROGRAM



# Project Eligibility Criteria



Groundwater Reliability Improvement Program (WRD)

## Project must:

- Be supported by a Metropolitan member agency
- Replace demand on Metropolitan's imported water
- Not be existing or under construction
- Include construction of substantial new treatment or distribution facilities
- Be ready to proceed
  - Comply with CEQA and/or NEPA
  - Have obtained all required permits
  - Have interagency agreements, if applicable

# Application Submittal



Irvine Desalter Project  
(IRWD)

- Application is accepted on an open and continuous basis
  - Application is not a reservation of funds
- One application for each project
- Member agency must submit LRP application before start of construction (award of bids)
- Member Agency must submit:
  - Supporting Letter
  - California Environment Quality Act documentation
  - Project permits

LOCAL RESOURCES PROGRAM

# Agreement



Chino Basin Desalination Program  
(IEUA)

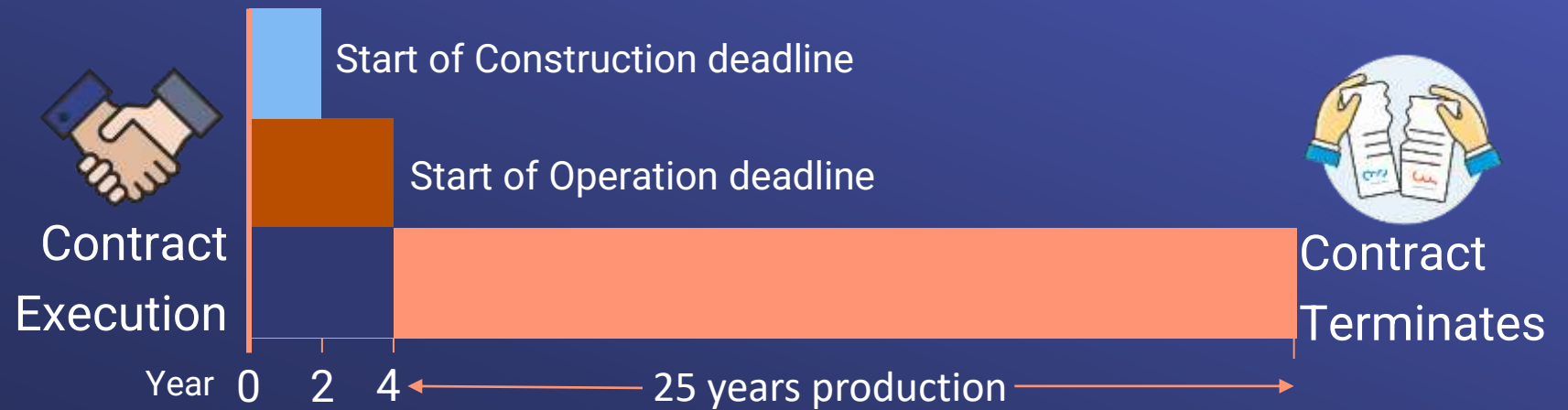
- Agreement Term : 25 years
- Allowable yield
  - Source water
  - Exclusions
  - Threshold
- Eligible facilities and costs
  - Treatment and/or Distribution
  - Shared facilities
- Annual production and/or cost reconciliation
- Performance provisions
- Audit



# Performance Provisions



**Perris II Ground Water Desalter (EMWD)**



## Project Target Yield:

- Year 1 – 4, 50% of ultimate yield
- Year 5 – 8, 75% of ultimate yield
- Every four-year period thereafter, 75% of ultimate yield

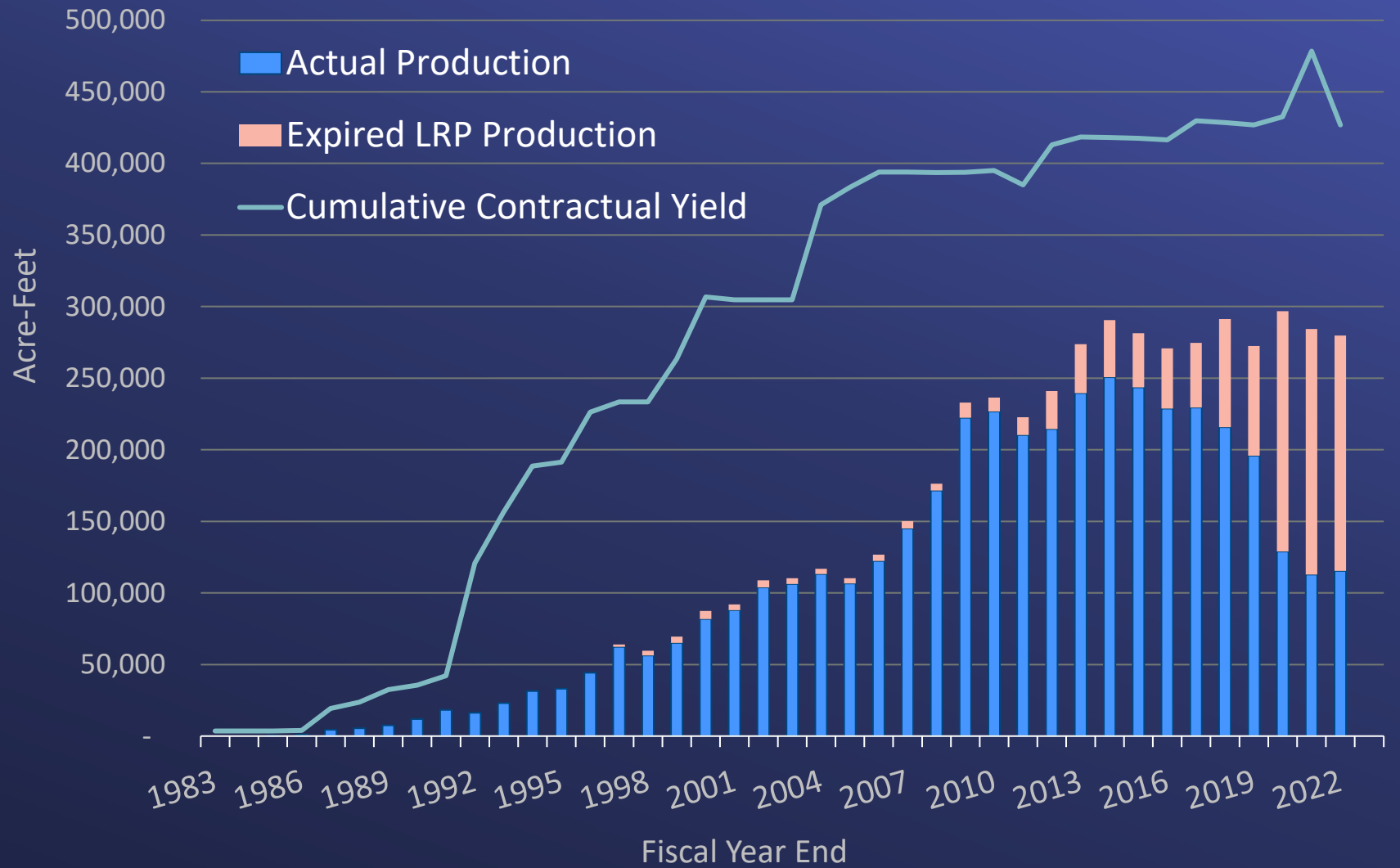
*If project does not reach target yield, Metropolitan will reduce the ultimate yield*

LOCAL RESOURCES PROGRAM

# How Projects Have Performed Over Time

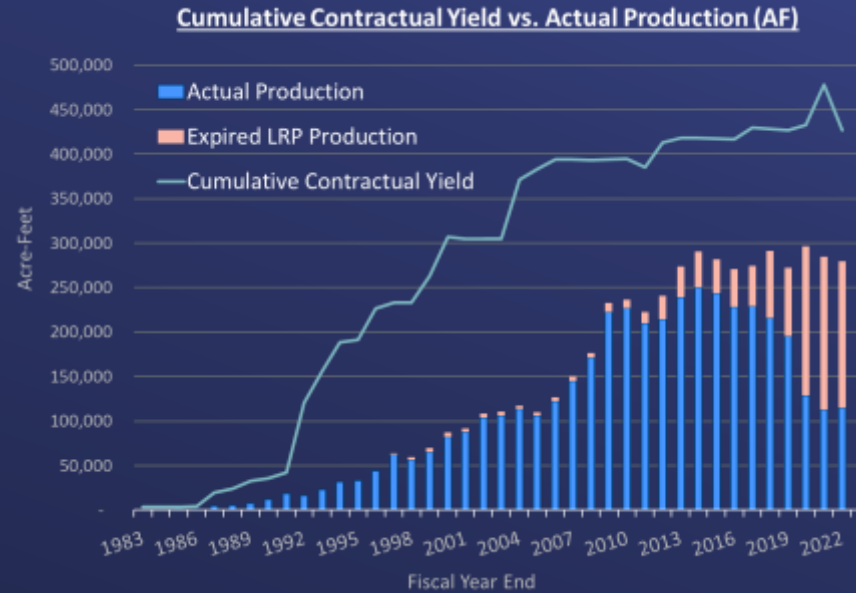


### Cumulative Contractual Yield vs. Actual Production (AF)



LOCAL RESOURCES PROGRAM

# Challenges Identified by Member Agencies to Meet Contractual Yield



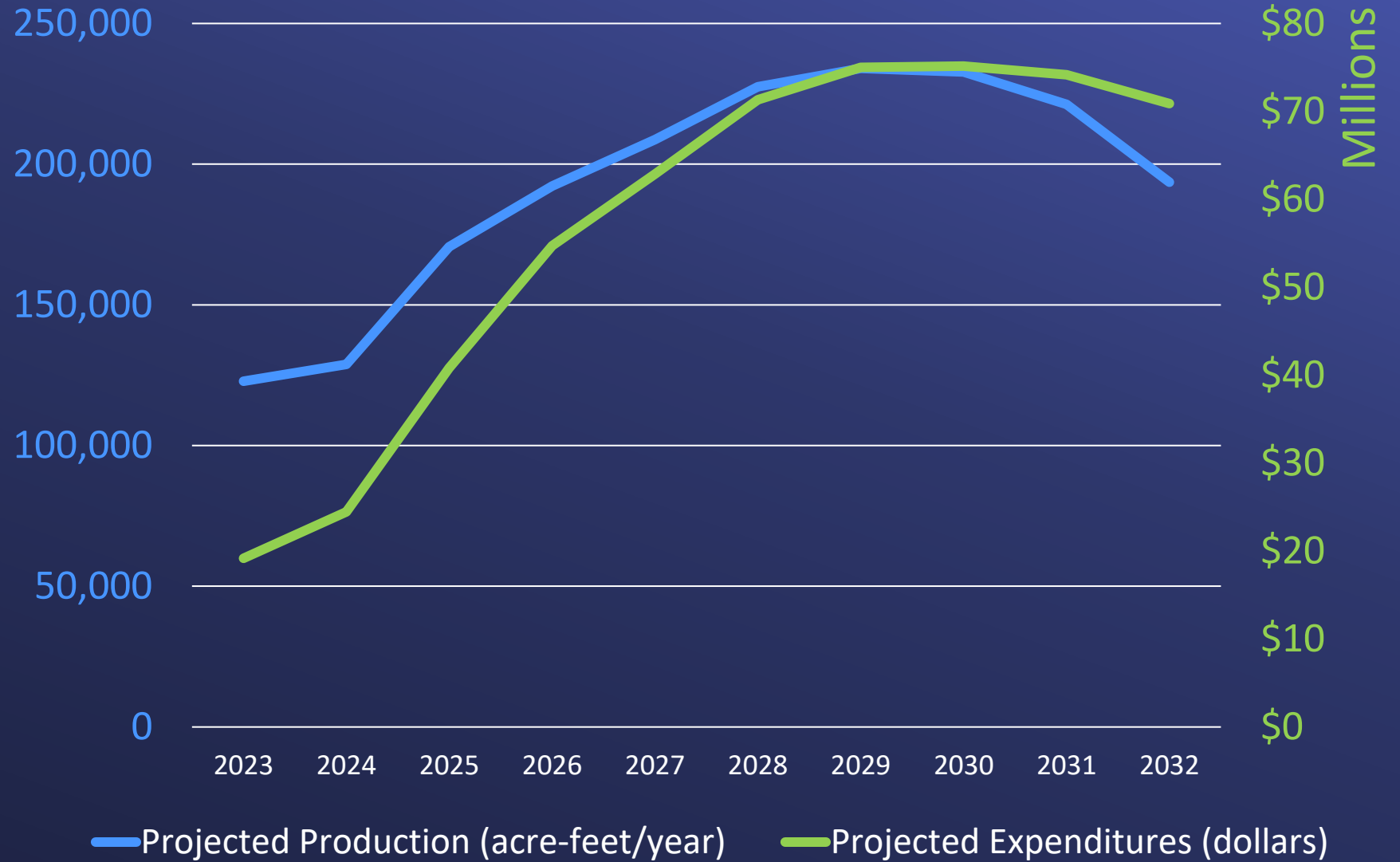
- Lower irrigation demands due to conservation
- Declining flows to wastewater treatment plants
- Restrictions on groundwater pumping
- Equipment failure and supply chain issue
- Reduced wet-year water production

LOCAL RESOURCES PROGRAM

# Budget



## Projected Production & Expenditures

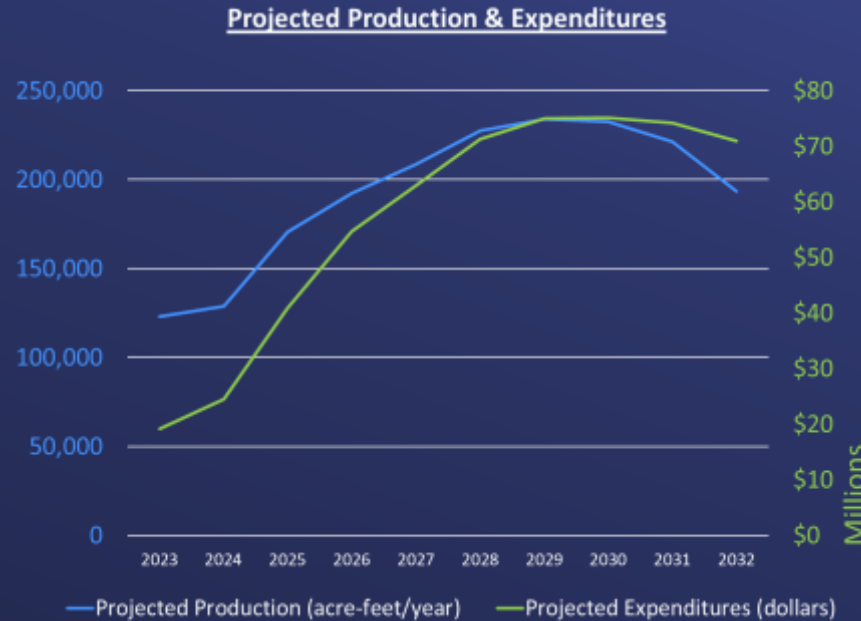


# Budgeting Process



## Aggregate Budget Estimate Includes:

1. Contractual yield (not max)
2. Actual production over previous four years
3. Estimates/adjustments provided by Member agencies
4. Current operational status
5. Estimate incentive rate
6. Includes additional (unknown) projects to meet 170 TAF target



LOCAL RESOURCES PROGRAM

# What Has The Program Done?



Supports local resource development in the region



Accelerates project development among member agencies

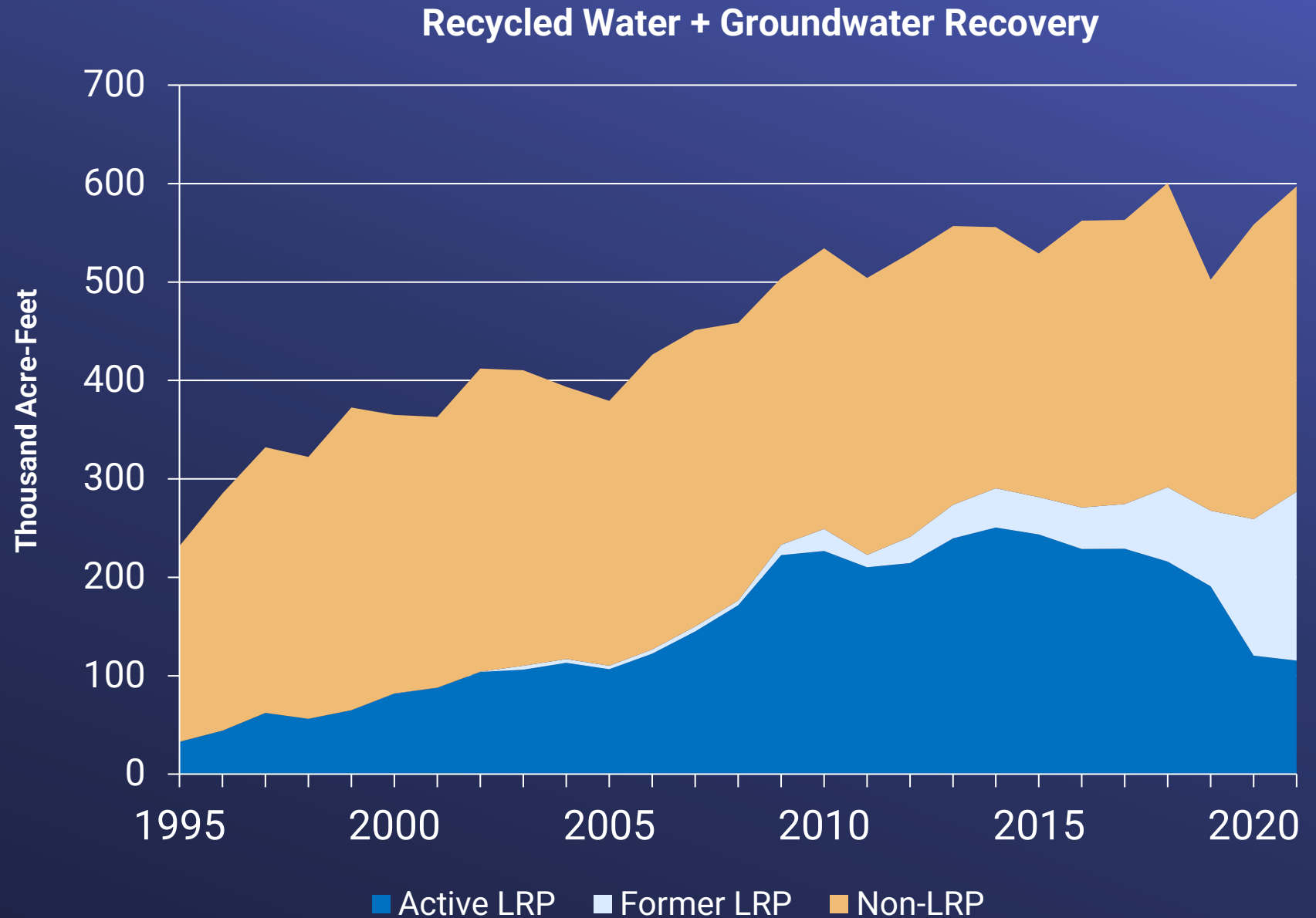


Helps improve regional reliability



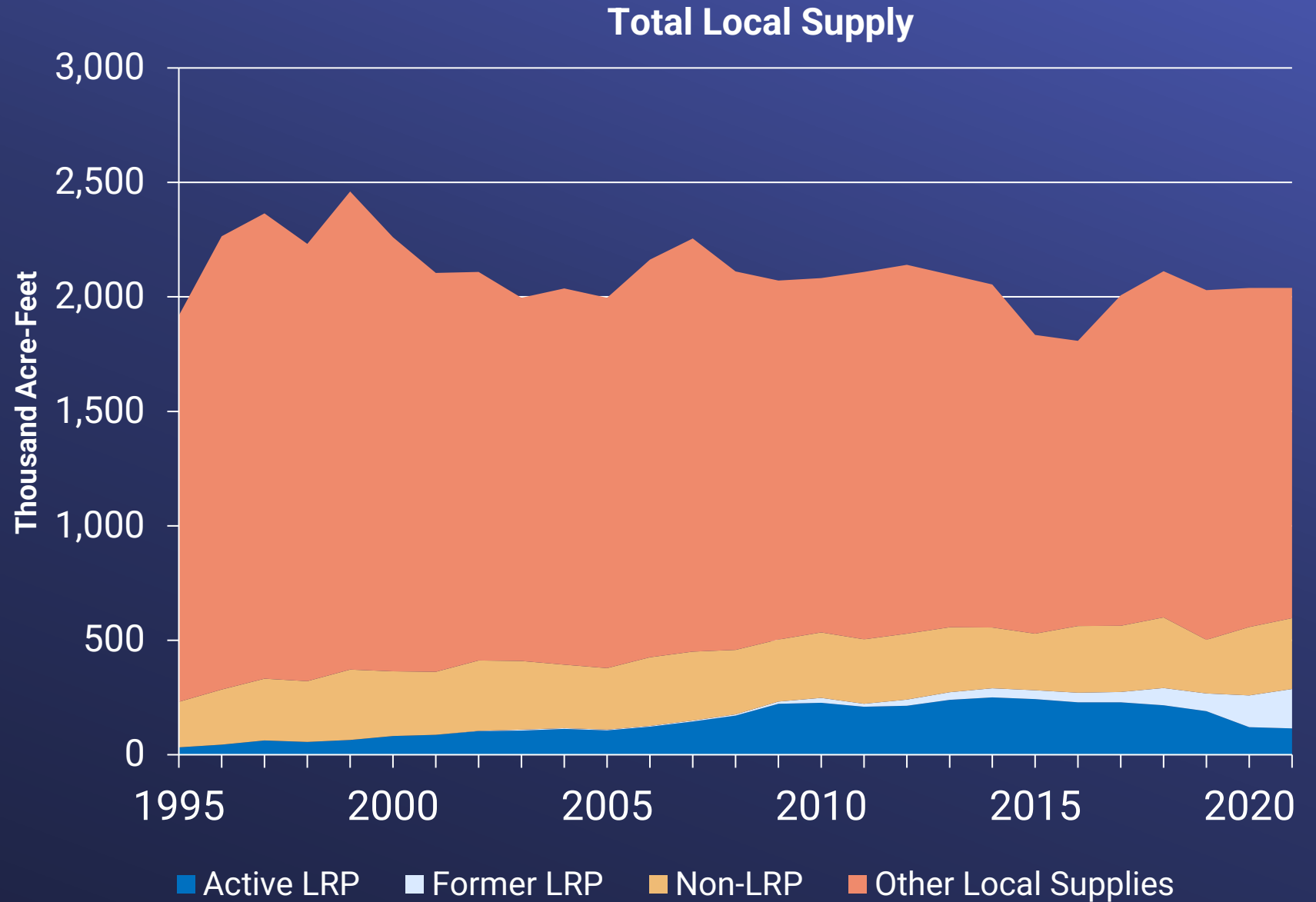
LOCAL RESOURCES PROGRAM

Helps  
Support  
Local  
Production  
In The  
Region



LOCAL RESOURCES PROGRAM

# Total Local Supply In The Region







LOCAL RESOURCES PROGRAM  
**Moving Forward**

Continue partnering with Member Agencies to bring planned local projects to fruition and to seek new opportunities to increase local supplies.





Subcommittee on Demand Management and  
Conservation Programs and Priorities

# Conservation Update

Item 3b

June 12, 2023

# Current Conservation Program Expenditures

FYs 2022/23 & 2023/24<sup>(1)</sup>

	Paid <sup>(2)</sup>	Committed <sup>(3)</sup>
Regional Devices	\$7.6 M	\$7.5 M
Member Agency Administered	\$6.7 M	\$5.3 M
Turf Replacement	\$17.0 M	\$38.3 M
Advertising	\$5.6 M	\$1.4 M
Other	\$1.7 M	\$1.5 M
<b>TOTAL</b>	<b>\$38.6 M</b>	<b>\$54.0 M</b>

- (1) The Conservation Program biennial expenditure authorization is \$86M.
- (2) As of 7/1/2022 –4/30/2023. Financial reporting has changed from modified accrual to cash basis. This resulted in \$9.2M of expenditures that were accrued last year but paid in cash this fiscal year.
- (3) Committed dollars as of May 10, 2023.

Current  
Conservation  
Program  
Expenditures  
FYs 2022/23 &  
2023/24<sup>(1)</sup>



**Turf Replacement Rebates:**

April: 540,854 ft<sup>2</sup> removed

**FY2022/23-FY2023/24: 8,044,546 ft<sup>2</sup> removed**



**Toilets:**

April: 462 units rebated

**FY2022/23-FY2023/24: 21,804 units rebated**



**Rain Barrels and Cisterns:**

April: 116 units rebated

**FY2022/23-FY2023/24: 3,068 units rebated**

**Lifetime Water Savings to be achieved by all rebates in April 2023: 3,744 AF**

FY2022/23-FY2023/24: 49,255 AF lifetime water savings

# One Water Awards Celebration



- The One Water Awards Program is a water-efficiency awareness campaign to encourage businesses and other non-residential industries to participate in the Water Savings Incentive Program.
- 6 projects were recognized for their technological innovations, environmental stewardship, and water sustainability on May 22, 2023

# 2023 One Water Awards: **Honorees**



## **City of Chino Public Works Department**

Member Agency: Inland Empire Utilities Agency, San Bernadino County

10-year projected water savings: 112 million gallons

# 2023 One Water Awards: **Honorees**



## **City of Huntington Beach Public Works Department**

Member Agency: Municipal Water District of Orange County

10-year projected water savings: 182 million gallons



# 2023 One Water Awards: **Honorees**



## **Los Angeles Department of Parks and Recreation, Arboretum & Botanic Garden**

Member Agency: Upper San Gabriel Valley Municipal Water District, Los Angeles County  
10-year projected water savings: 350 million gallons

# 2023 One Water Awards: **Honorees**



## **Rice Canyon Ranch**

Member Agency: San Diego County Water Authority

10-year projected water savings: 381 million gallons

# 2023 One Water Awards: **Honorees**



## **Ventura County Fire Department**

Member Agency: Calleguas Municipal Water District, Ventura County

Estimated Projected Savings: 47 million gallons

# 2023 One Water Awards: *Honorees*



## *Victoria Village Homeowner Association*

Member Agency: Western Municipal Water District, Riverside County

10-year projected water savings: 58 million gallons



The One Water Awards shines a spotlight on Southern California's **leaders in conservation and commitment to finding sustainable solutions**





# One Water

THE METROPOLITAN WATER DISTRICT  
*of* SOUTHERN CALIFORNIA

A W A R D S  
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