



One Water and Stewardship Committee

Authorize entering into a Local Resources Program Agreement with Eastern Municipal Water District for the French Valley Recycled Water Distribution Project

Item 7-4

September 11, 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)**

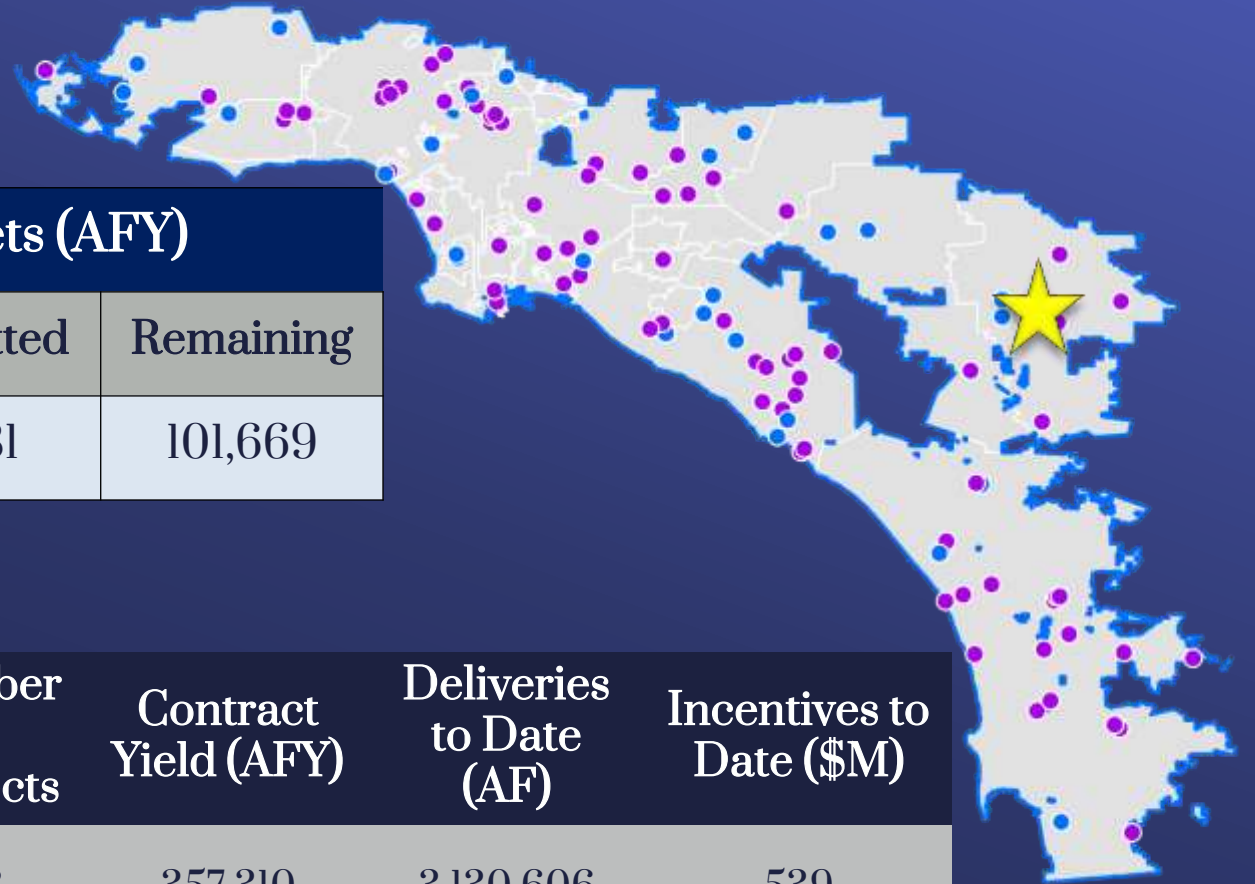


**Decreases the burden on
Metropolitan's infrastructure**

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	357,310	3,130,606	539
Groundwater Recovery ●	28	124,744	1,188,400	194
Total	116	482,055	4,319,006	733



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

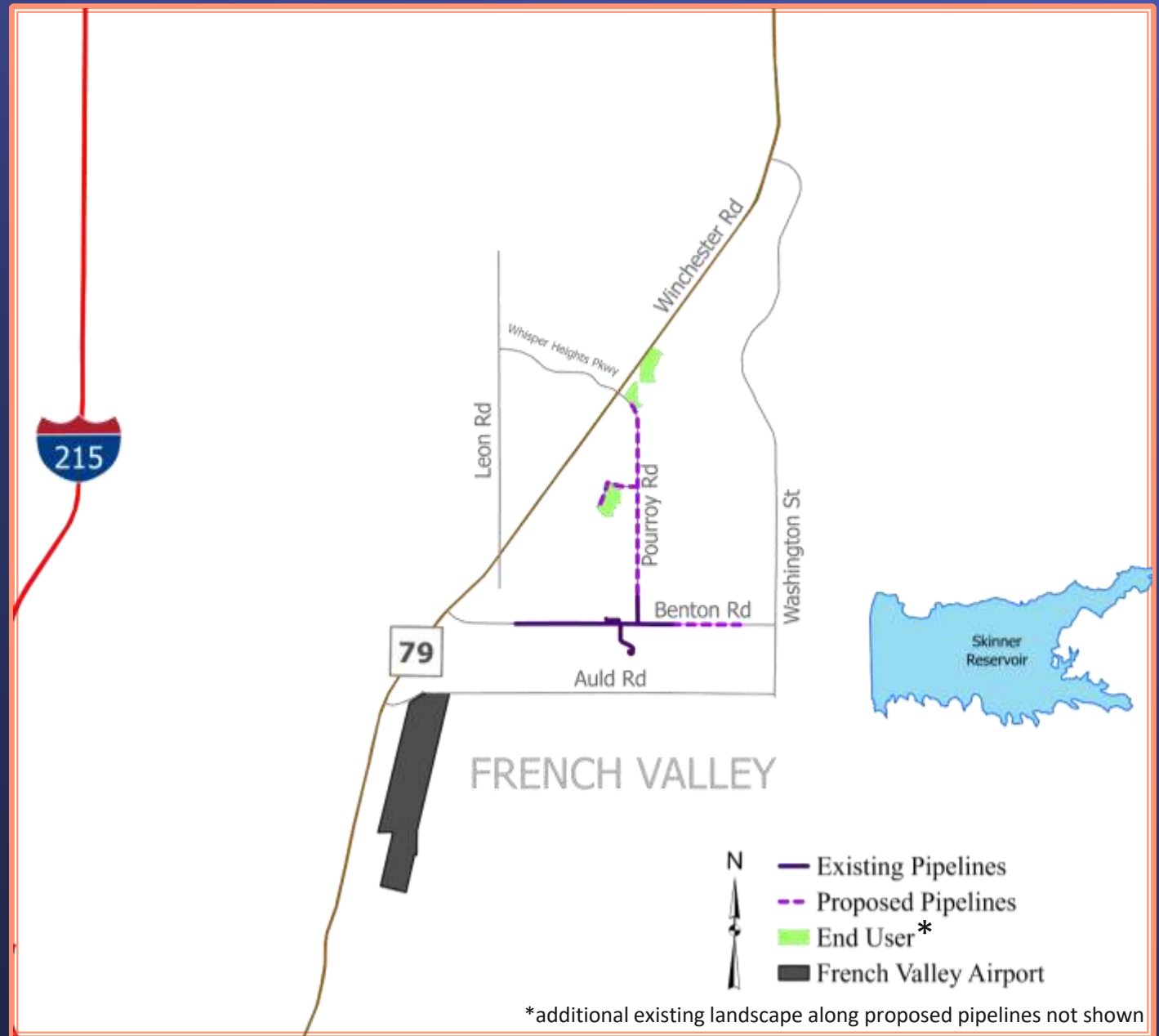
* Pay for project water used. Incentives never exceed costs.

** Project must produce for 25 years



French Valley Recycled Water Distribution Project

Location Map



French
Valley
Recycled
Water
Distribution
Project

Description

- Expansion of recycled water distribution system
 - 12,300 linear feet of transmission pipeline
 - Delivery of tertiary treated recycled water supplied by the existing Temecula Valley Regional Water Reclamation Plant
- Eastern will own and operate the Project and plans to deliver water by 2024

French Valley Recycled Water Distribution Project

Agreement Terms



140 AFY over 25 years

Fixed incentives up to \$305/AF for 25 years



\$ 1.07 million maximum lifetime contract payment

3,500 AF maximum contract yield over 25 years



Performance Provisions

- Start of construction and operation
- Production required over 25 years
- Production targets every four years

Board Options

- Option #1
 - Review and consider Eastern Municipal Water District's certified Final Environmental Impact Report and Addendum, and take related CEQA actions;
 - Authorize the General Manager to enter into a Local Resources Program Agreement with Eastern Municipal Water District for the French Valley Recycled Water Distribution Project for up to 140 AFY of recycled water for irrigation use in the Eastern Municipal Water District service area
- Option #2
 - Do not authorize execution of an agreement for the Project.

Staff Recommendation

- Option #1

