



## Finance, Affordability, Asset Management, and Efficiency Committee

Authorize an amendment to LRP Agreement to extend start-of-operation deadline for Oceanside Pure Water and Recycled Water Expansion Phase I Project

Item 7-9

June 10, 2025

## Item 7-9

### Amendment to LRP Agreement for Oceanside Pure Water and Recycled Water Expansion Phase I Project

#### Subject

Authorize an amendment to LRP Agreement to extend the start of operation deadline for Oceanside Pure Water and Recycled Water Expansion Phase I Project

#### Purpose

To obtain Board approval to amend the LRP Agreement to extend the start of operation deadline for the Oceanside Pure Water and Recycled Water Expansion Phase I Project

#### Recommendation and Fiscal Impact

Staff recommends authorizing an amendment to the LRP Agreement to grant an extension to the start of operation deadline for the Oceanside Pure Water and Recycled Water Expansion Phase I Project

No new fiscal obligations result from the proposed amendment. Payments will be shifted by three years, beginning in 2028.

# Local Resources Program

## Background

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



Recycled Water  
(1982)



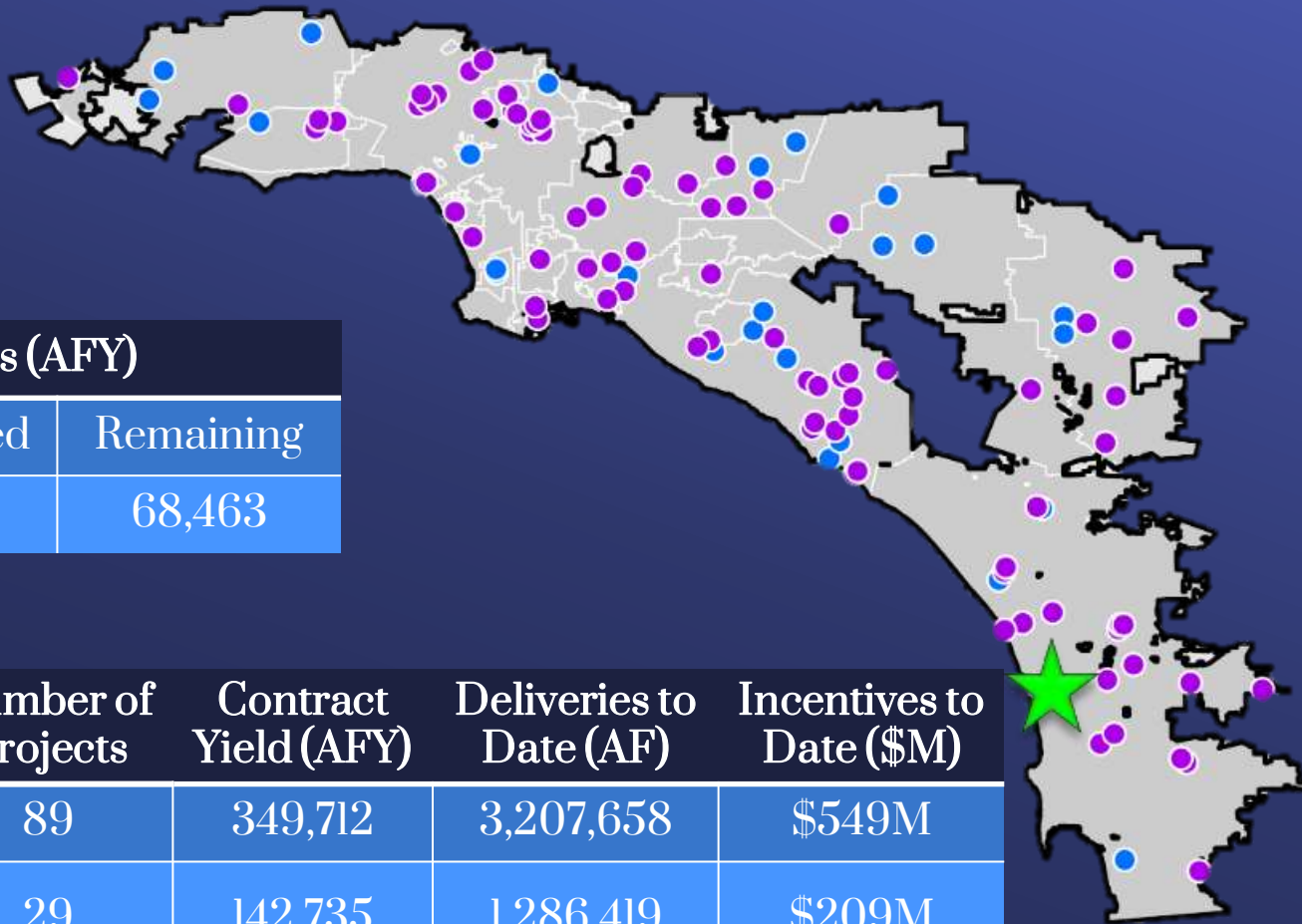
Groundwater Recovery  
(1991)



Seawater Desalination  
(2014)

# Local Resources Program

## Program Status



LRP Targets (AFY)		
Target	Committed	Remaining
170,000	101,537	68,463

Type	Number of Projects	Contract Yield (AFY)	Deliveries to Date (AF)	Incentives to Date (\$M)
● Recycling	89	349,712	3,207,658	\$549M
● Groundwater Recovery	29	142,735	1,286,419	\$209M
<b>Total</b>	<b>118</b>	<b>492,447</b>	<b>4,494,077</b>	<b>\$758M</b>

# Oceanside Pure Water and Recycled Water Expansion Phase I Project

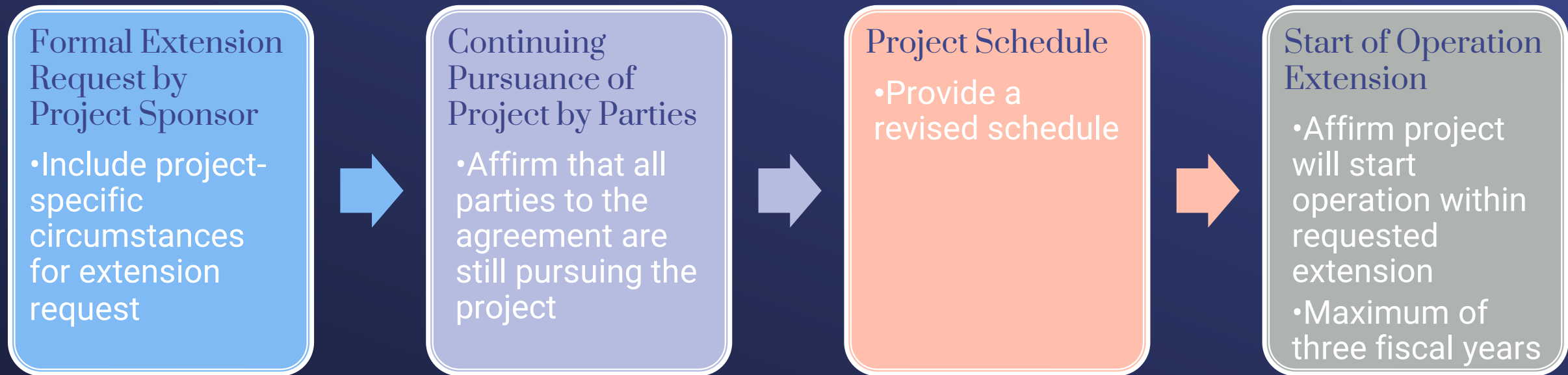
## Project Details

- On November 5, 2019, the Board authorized the General Manager to enter into an LRP agreement with SDCWA and the City of Oceanside
- Oceanside Pure Water and Recycled Water Expansion Phase I Project
  - Recycled water for groundwater recharge for potable purposes (purified water)
  - Recycled water for agricultural & landscape irrigation
  - Treatment plant, pump stations, pipelines
  - Injection wells
  - Storage tanks
  - Capacity: 6,000 acre-feet



# Approved LRP Framework

- On June 8, 2021, the Board approved framework and criteria for member agency requests to extend the start of operation milestone
  - Project must be under construction and have an active LRP agreement
- Evaluation criteria for extensions:



- Extension requests meeting evaluation criteria must be approved by the Board.

# Start of Operation Extension

## Request Details

- SDCWA submitted formal request to extend start-of-operation milestone from June 30, 2025 to June 30, 2028.
  - Parties are committed to the completion of the project
  - Project will begin operation on or before June 30, 2028
- Reasons for additional time needed
  - Design modifications
  - Supply chain challenges
  - Operational adjustments and staffing shortages

# Summary

- Extension request meets Board-approved criteria
- All other terms of existing LRP Agreement remain unchanged
  - Amendment changes the start of operation milestone
- No further CEQA review is required
- No change to the maximum financial commitment approved by the Board
  - Shifts the timing of expenditures



# Board Options

- Option #1

Authorize an amendment to LRP Agreement to extend the start of operation deadline for the Oceanside Pure Water and Recycled Water Expansion Phase I Project; adopt CEQA determination that the proposed action was previously addressed in the City of Oceanside's adopted 2018 Final MND and Addendum and Olivenhain Municipal Water District's certified 2015 Final PEIR and Addendum and that no further CEQA review is required

- Option #2

Do not extend the LRP Agreement start of operation deadline for the Oceanside Pure Water and Recycled Water Expansion Phase I Project

# Staff Recommendation

- Option #1

