



Engineering, Operations, & Technology Committee

Pure Water Southern California Adopt Proposition 4 Funding Resolution

Item 8-1

May 11, 2026

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Item 8-1
PWSC
Prop 4 Grant
Resolution

Subject

Adopt a resolution in support of the application for Proposition 4 funding under the State Water Resources Control Board Water Recycling Funding Program for the direct potable reuse testing facility improvements at the Napolitano Innovation Center; authorize the General Manager to accept the grant if awarded; and appropriate any funds awarded

Purpose

Enable Metropolitan to apply for and accept Proposition 4 funding if awarded for demonstration facility improvements for direct potable reuse (DPR) testing

Recommendation and Fiscal Impact

Adopt resolution for Proposition 4 funding

Fiscal Impact – no new costs associated with this grant application

Budgeted

Location Map



PWSC Prop 4 Grant Resolution

Prop 4 Grant Background

- Sep 2024 - Board supported Proposition 4
- Nov 2024 - State proposition approved by voters
- Grant administered by State Water Resources Control Board
- \$386 M available for water reuse projects
 - Awarded on a first-come, first-served basis
 - Currently, only 1/3 of available funds remain
- Maximum award per project phase is 35% of total project cost (and no more than \$15 M)

Application

- Metropolitan would apply for up to \$15 M for the DPR testing facility

Prop 4 Grant Scope

- Demonstration Facility Improvements for DPR Testing
 - Equipment procurement, final design & construction
 - Processes include membrane filtration (MF), reverse osmosis (RO), ultraviolet advanced oxidation (UV/AOP) & ozonation



Grace F. Napolitano Pure Water
Southern California Innovation Center

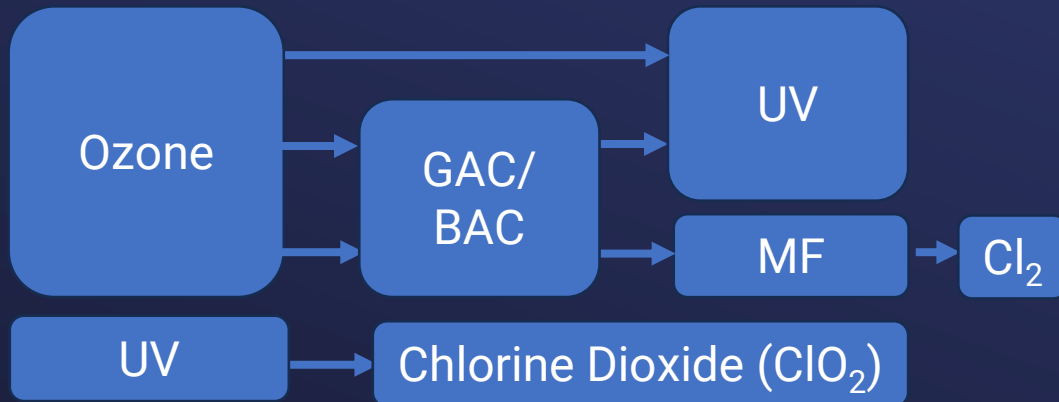
Prop 4 Grant Scope (cont'd)

Demonstration Facility Improvements for DPR Testing

DPR Default Train



DPR Alternative Trains



PWSC
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State Required Resolution Terms

- Designate an authorized representative or their designee to sign & file funding application
- Metropolitan's authorized representative, or his/her designee, is designated to provide assurances, certification & commitments required for the financial assistance application
- Commitment to work with SWRCB to carry out Metropolitan's responsibilities under the financing agreement, including certifying disbursement requests in compliance with applicable state & federal laws

PWSC
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Alternatives Considered

- Considered Alternative - Defer application until after board authorization of initial PWSC stage
 - DPR testing facility separately included in CIP
 - Funding awarded first-come, first-served
 - Fundable list of projects subscribed two-thirds of available funds
- Selected Alternative - Apply now
 - Increases likelihood of obtaining funding for DPR testing facility

PWSC Grants Update

- **USBR Large-Scale Water Recycling Program (LSWRP) \$125.5 M Grant**
 - Jan 2025 - Awarded \$125.5 M to Metropolitan for PWSC
 - Apr 2026 - Received additional \$2.8 M in reimbursements, for a total of approximately \$24 M
 - Not applying for final round of LSWRP funding due May 13, 2026
 - LSWRP expires in Nov 2026; agreement amendment to fully utilize existing \$125.5 M grant award
- **USBR WaterSmart Title XVI Planning Grant \$5 M Grant**
 - \$4.6 M received to date

Board Options

- Option #1

Adopt a resolution in support of the application for Proposition 4 funding under the State Water Resources Control Board Water Recycling Funding Program for the direct potable reuse testing facility improvements at the Napolitano Innovation Center, authorize the General Manager to accept the grant if awarded, and appropriate any funds awarded.

- Option #2

Do not adopt a resolution in support of the application for Proposition 4 funding.

Staff Recommendation

- Option #1

