



One Water & Adaptation Committee

Provide an update on ongoing discussions with respect to potential water supply program public-private partnerships

Item 6e

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Update on
ongoing water
supply
program
public-private
partnership
discussions

Subject

Provide an update on ongoing discussions with respect to potential water supply program public-private partnerships

Purpose

Inform on staff activities regarding potential water supply programs based on the public-private partnership model

Background

Proposal Evaluation Process

- WRM staff engage with various entities regarding potential water supply programs
- Discussions occur throughout various stages of development
- Proposals evaluated and assessed by staff consistent with CAMP4W framework
- Favorable proposals brought to Board for consideration

Recent Ongoing Discussions

- Regular coordination with potential water sellers
 - Public agencies
 - Private landowners/corporations
- Recent Engagements:



- Silvertip Resources Holdings LLC



- OceanWell LLC



- California Resources Corporation
(originally with Renovo Resources LLC)

Potential Water Sale to Metropolitan



Silvertip Resources Holdings LLC (Silvertip)

- Background
 - Private company established in 2022
 - Silvertip approached Metropolitan staff in 2023
- What are they proposing?
 - Long-term take-or-pay water supply agreement
 - Ability to defer deliveries under certain conditions
 - Option for storage at additional cost
- Where are we?
 - Staff is evaluating the offer and in discussions with Silvertip on proposal refinements



Potential New Water Supply



OceanWell LLC (OceanWell)

- Background
 - California-based desalination company
 - OceanWell began engaging with Metropolitan and other water agencies in 2023
- What are they proposing?
 - Water Farm #1 (WFI) to provide desal water to Metropolitan and deliver into Metropolitan's system
- Where are we?
 - Staff currently evaluating the feasibility of integrating WFI supplies into Metropolitan's system

Oilfield Water Reclamation

California Resources Corporation (CRC)

- Background
 - In 2023, Metropolitan staff approached by Renovo Resources LLC
 - Renovo no longer pursuing project; direct discussions with oil company
- What are they proposing?
 - Treat oilfield-produced water in Kern County and deliver to offtake partner for ag use
 - Metropolitan receives supply through exchange with offtake partner
 - Long-term take-or-pay water agreement
- Where are we?
 - Initial discussions with CRC. Key challenges include identifying offtake partner, cost, and subsidence impacts.



Summary

- Building a diverse portfolio remains a priority
- Metropolitan is open to discussions with public and private agencies on potential partnerships
- Future water supply investments would be evaluated through CAMP4W process
 - Current discussions are preliminary
 - Favorable proposals will be brought to the Board for consideration

