



Engineering, Operations, & Technology Committee

Approve Guiding Principles for Pure Water Southern California Partnerships

Item 8-2

January 12, 2026

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Item 8-2

Approve Guiding Principles for Pure Water Southern California Partnerships

Subject

Approve Guiding Principles for Pure Water Southern California Partnerships

Purpose

Request approval of proposed guiding principles for Pure Water Southern California partnerships, including member agencies, Colorado River, and San Gabriel Valley MWD partnerships

Recommendation and Fiscal Impact

Approve guiding principles for Pure Water Southern California partnerships

Fiscal Impact – None

Approve Guiding Principles for PWSC Partnerships

Agenda

- Proposed PWSC Roadmap
- Overview of Proposed Process
- Feedback Received from the Board
- Proposed Guiding Principles for Partnerships
 - Member Agencies
 - San Gabriel Valley MWD (SGVMWD)
 - Colorado River Agencies
 - Southern Nevada Water Authority (SNWA or Southern Nevada)
 - Arizona Parties (Arizona Department of Water Resources & Central Arizona Water Conservation District)

Proposed PWSC Roadmap

February 2026

- Certify Final EIR

March 2026

- CAMP4Water Feedback
- Program Staging Plan
- DPR Implementation Strategy
- **Procure DPR Demo. Equipment**

April 2026

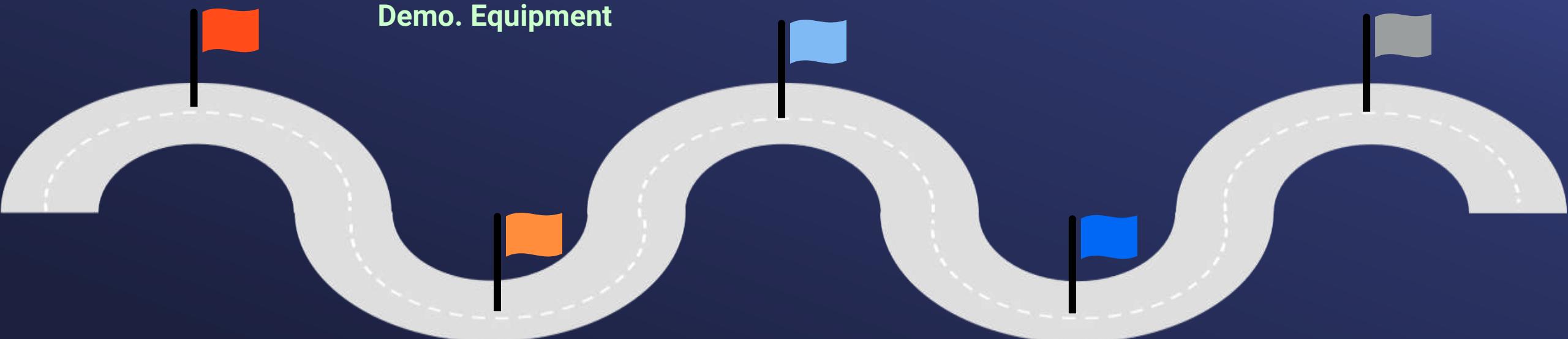
- **Approve Metropolitan Biennial Budget**
- Information on Upcoming Agreements

May 2026

- Authorize LACSD Agreement

June 2026

- **Approve Implementation of Initial Program Stage**



Overview of Guiding Principles for PWSC Partnerships

Member Agency/Program Partner Collaboration

- Agreement Development
 - Step 1: Letters of Intent (Complete)
 - Step 2: Guiding Principles (2026)
 - Step 3: Development of Term Sheet (2026)
 - Step 4: Interim Agreement (2026-2035+)
 - Step 5: Long-term Agreement (2035-2060+)
- Continued discussion with program partners

Guiding Principles for Partnership

- Guiding Principles are intended to assist Metropolitan staff with the negotiations of terms sheets with partners
- Guiding Principles improve the partnership process
 - Provides better alignment with CAMP4Water process
 - Allows the Board to provide direction to staff on policy issues as they work with partners on term sheets for future Board consideration
 - Adaptable to whatever program staging option Board chooses

Regional Benefits of Pure Water

Reduces Risk of
Net Shortage &
Water Supply
Allocation

Reduces
Reliance on SWP
and Colorado
River

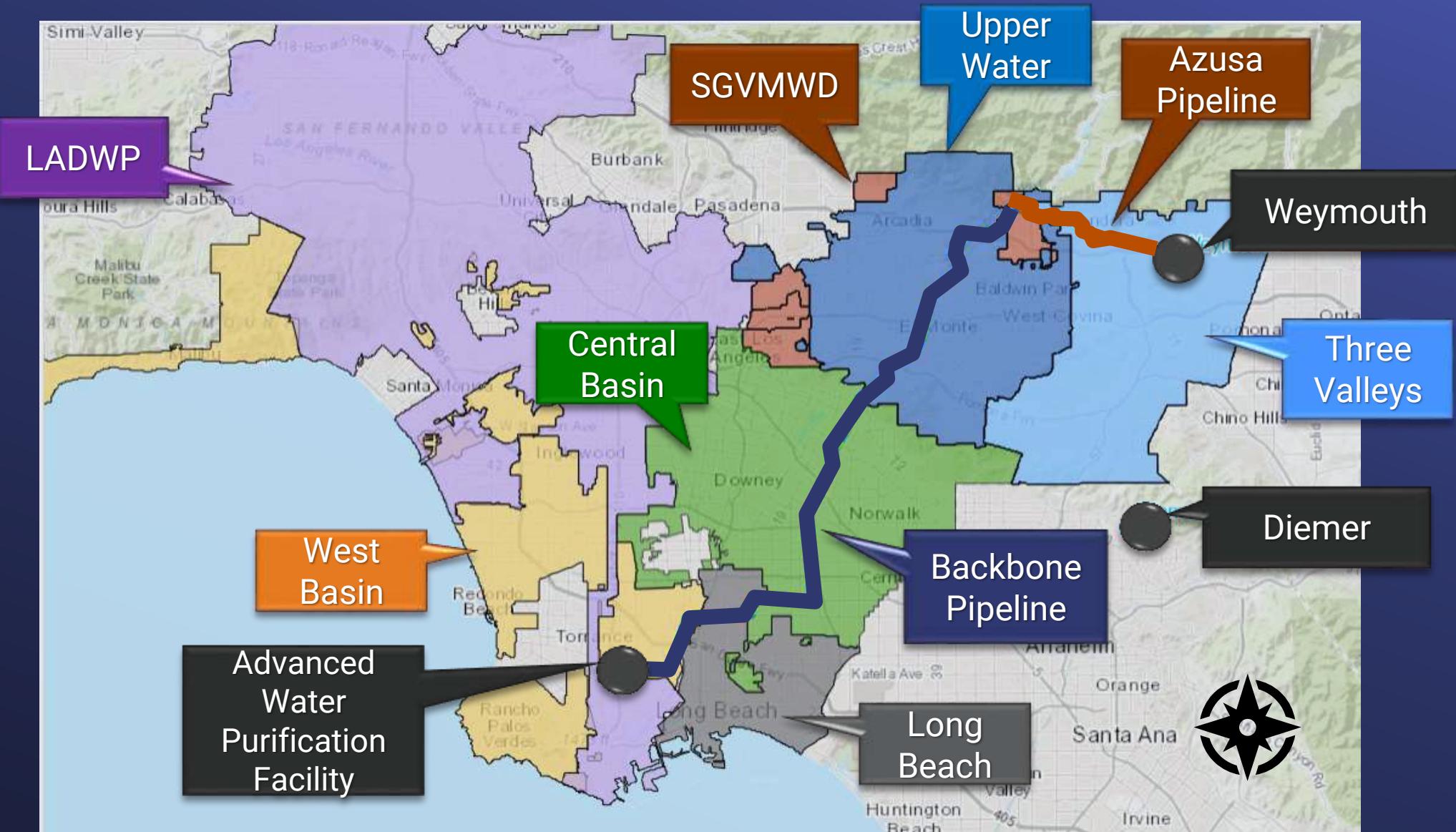
Improves
Groundwater
Sustainability

Improves Local
Supply
Development

Increases
Available Supply
During Seismic
Emergency

Increases
Operational
Flexibility

Map of Member Agency and SWP Partners



Feedback Received from Board

- Allow for the agreements to be developed consistent with direction the Board may provide on staging/phasing, if PWSC is approved
- Responses:
 - Guiding principles do not compel Metropolitan to develop all agreements. Rather, agreements would be developed as needed for each stage/phase
 - Modify Guiding Principles to include the following statement for each group of partners:

"Project participants recognize that PWSC has been developed to allow for long-term adaptive implementation, including: (1) by allowing for phasing and/or staging funding and construction, and (2) if feasible and permissible, by allowing for direct potable reuse."

Introduction Added to Guiding Principles for Each Partnership

Pure Water Southern California Partnership Guiding Principles

Proposed Principles to Guide Metropolitan –Member Agency Partnerships

Project participants recognize that PWSC has been developed to allow for long-term adaptive implementation, including: (1) by allowing for phasing and/or staging funding and construction, and (2) if feasible and permittable, by allowing for direct potable reuse.



New Regional Supply	Pure Water Southern California (PWSC) is a new regional supply for Metropolitan, available to supplement the supplies Metropolitan has available from the State Water Project and from the Colorado River.
Reliability	Maximize opportunities when member agency total demands for purified water align with water supplies produced by PWSC; thereby allowing Metropolitan to maximize production from PWSC to

Feedback Received from Board (Continued)

- Require the Colorado River Partners to pay costs towards PWSC (capital and O&M), not based on melded rates, but based on the full cost for PWSC
 - Response: Modified “equity” term of guiding principles to emphasize that the amount paid by Southern Nevada or Arizona Parties will reflect the true cost for Metropolitan to produce purified water from PWSC
- Other topics (DPR, groundwater exchange, demand variability)
 - Response: Technical studies underway

Proposed Guiding Principles for Partnerships

Member Agency Partnerships

- West Basin MWD
- LADWP
- Long Beach
- Central Basin MWD
- Upper Water
- Three Valleys MWD

State Water Project Partnerships

- SGVMWD
- Others?

Colorado River Partnerships

- Southern Nevada Water Authority
- Arizona Parties

Summary of Guiding Principles for Member Agency Partnerships

New Regional Supply

- Provide new regional supply to augment existing sources

Reliability

- Maximize opportunities when member agency's demand for PWSC aligns with water supplies produced by PWSC, thereby allowing Metropolitan to maximize production from PWSC & enhance regional benefits

Flexibility

- Balance operational flexibility for Metropolitan & member agencies while maximizing PWSC. Member agencies would agree to purchase certain amount of water on average

Summary of Guiding Principles for Member Agency Partnerships (Continued)

Quality Water

- Provide high-quality water & reduce regulatory compliance costs through a shared risk framework

New Local Facilities

- Develop equitable approach to allocation of responsibilities & costs
- Balance member agency responsibility for local facilities with flexibility to develop PWSC in the most effective way for Metropolitan to deliver water

Questions?

Summary of Proposed Guiding Principles for SGVMWD Partnership

Exchange

- Develop opportunities to make PWSC water available to SGVMWD in exchange for SGVMWD making State Water Project water available to Metropolitan

Shared Infrastructure

- Give Metropolitan the ability to use the facilities of SGVMWD to maximize regional benefits by conveying purified water for downstream potable reuse

Equity

- Ensure that the quantity of purified water Metropolitan makes available to SGVMWD aligns with the benefits of exchanges & infrastructure sharing

Summary of Proposed Guiding Principles for SGVMWD Partnership (Continued)

Flexibility

- Provide operational flexibility for Metropolitan and for SGVMWD

Quality Water

- Provide SGVMWD with high-quality purified water for groundwater replenishment

Questions?

Summary of Proposed Guiding Principles for Colorado River Partnerships

Equity

- Ensure the quantity of water available to SNWA or Arizona Parties is aligned with and is proportional to their investment & the amount paid by SNWA or Arizona Parties reflects the true costs for Metropolitan to produce purified water

Flexibility

- Provide flexibility for Metropolitan & partners
- Afford Metropolitan the ability to store water during surplus years
 - Partners to take water for direct delivery, storage and use in a subsequent year, or subsequent exchange
 - Metropolitan would have first right of refusal for any exchange with others

Adaptability

- Reflect that execution of the partnerships is dependent upon the rules applicable to the Colorado River parties
- Partnership must be supported by the rules and may need to change as the rules change

Questions?

Proposed Next Steps to Prepare for Board Decisions

- Board to consider CEQA actions in February
 - Certification of EIR & Approval of the Program for CEQA purposes
- Upcoming Technical Studies for PWSC
 - IPR/DPR Operational Scenarios Analysis
 - DPR Implementation Strategy
 - DPR Pump-in Policy Considerations
 - CAMP4Water Portfolio Assessments
- Upcoming PWSC Items
 - Program Staging Plan
 - Initial Program Funding/Appropriation
 - Partnership term sheets based on guiding principles

Board Options Not Considered

- Considered Alternative – Authorize staff to finalize the development of the term sheets for the member agency, Southern Nevada, Arizona Parties, and SGVMWD partnerships without adopting policy principles
 - This option was considered, but rejected based upon input provided by the Board
- Recommended Alternative – Approve guiding principles for Pure Water Southern California partnerships

Board Options

- Option #1
Approve guiding principles for Pure Water Southern California partnerships with the additions to Attachment 1 presented today.
- Option #2
Do not approve guiding principles for Pure Water Southern California partnerships.

Staff Recommendation

- Option #1

