



Engineering, Operations, & Technology Committee

Adopt Resolution in Support of Federal Funding Application from the U.S. Bureau of Reclamation to Advance the Pure Water Southern California Program

Item 8-2

November 18, 2024

Item 8-2
PWSC
LSWRP
Grant Resolution

Subject

Adopt a resolution in support of a grant application to the U.S. Bureau of Reclamation (Reclamation) for funding under the Large-Scale Water Recycling Program (LSWRP) to advance the Pure Water Southern California Program (PWSC)

Purpose

This resolution will enable Metropolitan and Reclamation to proceed with developing a grant agreement

Next Steps

Return to Board to authorize the General Manager or his/her designee to enter agreement

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LSWRP Background

- Metropolitan worked with sponsors to develop Bipartisan Infrastructure Law (P.L. 117-58, § 40905)
 - Enacted November 15, 2021
 - \$450 M in funding available in LSWRP
 - Buy America requirements

Application timeline

- November 2023 – applied for LSWRP \$125 M grant for planning & design
- January 2024 – submitted LSWRP Feasibility Study
- May 2024 – USBR approved Metropolitan’s Feasibility Study & issued Notice of Intent to award \$99.2 M

LSWRP Grant

- May 2024 - LSWRP application approved & received Notice of Intent to award up to \$99.2 M
 - Metropolitan can seek reimbursement for up to 25% of planning & design costs up to \$99.2 M
 - Funds available for 3 years
 - Board resolution required prior to grant agreement



...Reclamation is pleased to inform you that your application for LSWRP funding was among those receiving the highest ratings...

Grant Resolution Required Terms

- Identify Metropolitan official with legal authority to enter into an agreement
- Board of Directors reviewed & support submitted grant application
- Commitment to work with Reclamation to meet deadlines for entering into grant agreement

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
IN SUPPORT OF ITS APPLICATION FOR FUNDING
UNDER THE WATERSMART LARGE-SCALE WATER RECYCLING PROGRAM**

WHEREAS, the U.S. Bureau of Reclamation ("Reclamation") requested applications from sponsors to facilitate project development under the Large-Scale Water Recycling Program ("LSWRP") for projects with an estimated cost of over \$500 million that meet the requirements of the LSWRP authorized by the Infrastructure Investment and Jobs Act of 2021; and

WHEREAS, the Metropolitan Water District's Pure Water Southern California Program is eligible for the USBR grant funding pursuant to the Act's guidelines and published eligibility guidelines; and

WHEREAS, in November 2023, The Metropolitan Water District of Southern California ("Metropolitan") submitted an application for grant funding to support planning and design for Pure Water Southern California ("LSWRP Application"), an action that was determined to be exempt from the California Environmental Quality Act ("CEQA") under Section 15378(b)(4) of the State CEQA Guidelines;

WHEREAS, in May 2024, Reclamation notified Metropolitan of Reclamation's intent to award Metropolitan up to \$99,199,096 in federal grant funds;

WHEREAS, prior to an award, Reclamation requires Metropolitan to adopt a resolution certifying: (i) the identity of the Metropolitan official with legal authority to enter into an agreement, (ii) the board of directors, governing body, or appropriate official has reviewed and supports the application submitted, and (iii) that Metropolitan will work with Reclamation to meet established deadlines for entering into a grant or cooperative agreement;

NOW, THEREFORE, BE IT RESOLVED that the Metropolitan Board of Directors ("Board") reviewed and supports the LSWRP Application.

BE IT FURTHER RESOLVED that, subject to board approval of a grant or cooperative agreement, Metropolitan's General Manager or his/her designee will have the legal authority to enter into that agreement.

BE IT FURTHER RESOLVED by the Board that Metropolitan's General Manager or his/her designee will work with Reclamation to meet established program deadlines for entering into a grant or cooperative agreement.

HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held November 19, 2024.

Secretary of the Board of Directors
of The Metropolitan Water District
of Southern California

*Adopting the resolution does not accept the grant

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Next Steps

- Discuss additional terms with Reclamation including:
 - No obligation to return funding if Board decides not to approve program
 - Performance period extends 3 years from agreement date
 - Reimbursement of qualified costs from 4/3/2020 - Title XVI Feasibility Study approval
 - Metropolitan can draw down funding over term as we demonstrate available cost match
- Return to Board to authorize the grant agreement
- Pursue additional non-federal matching funds

Board Options

- Option #1

Adopt the proposed resolution, verifying that the Board reviewed and supports the grant application, that subject to board approval of a grant agreement, the General Manager or his/her designee will have the legal authority to enter into that agreement, and that the General Manager or his/her designee will work with the United States Bureau of Reclamation to meet established deadlines for entering into a grant agreement.

- Option #2

Do not adopt the resolution

Staff Recommendation

- Option #1

