



Engineering, Operations, & Technology Committee

Federal grant funding agreement with
the U.S. Bureau of Reclamation to
advance the Pure Water Southern
California Program

Item 8-2

December 9, 2024

Item 8-2
PWSC
LSWRP
Grant Funding

Subject

Authorize entering into one or more agreements to accept grant funding from the U.S. Bureau of Reclamation (Reclamation) through Large Scale Water Recycling Program (LSWRP) for Pure Water Southern California Program (PWSC)

Purpose

To advance anticipated planning and design activities for PWSC

Recommendation and Fiscal Impact

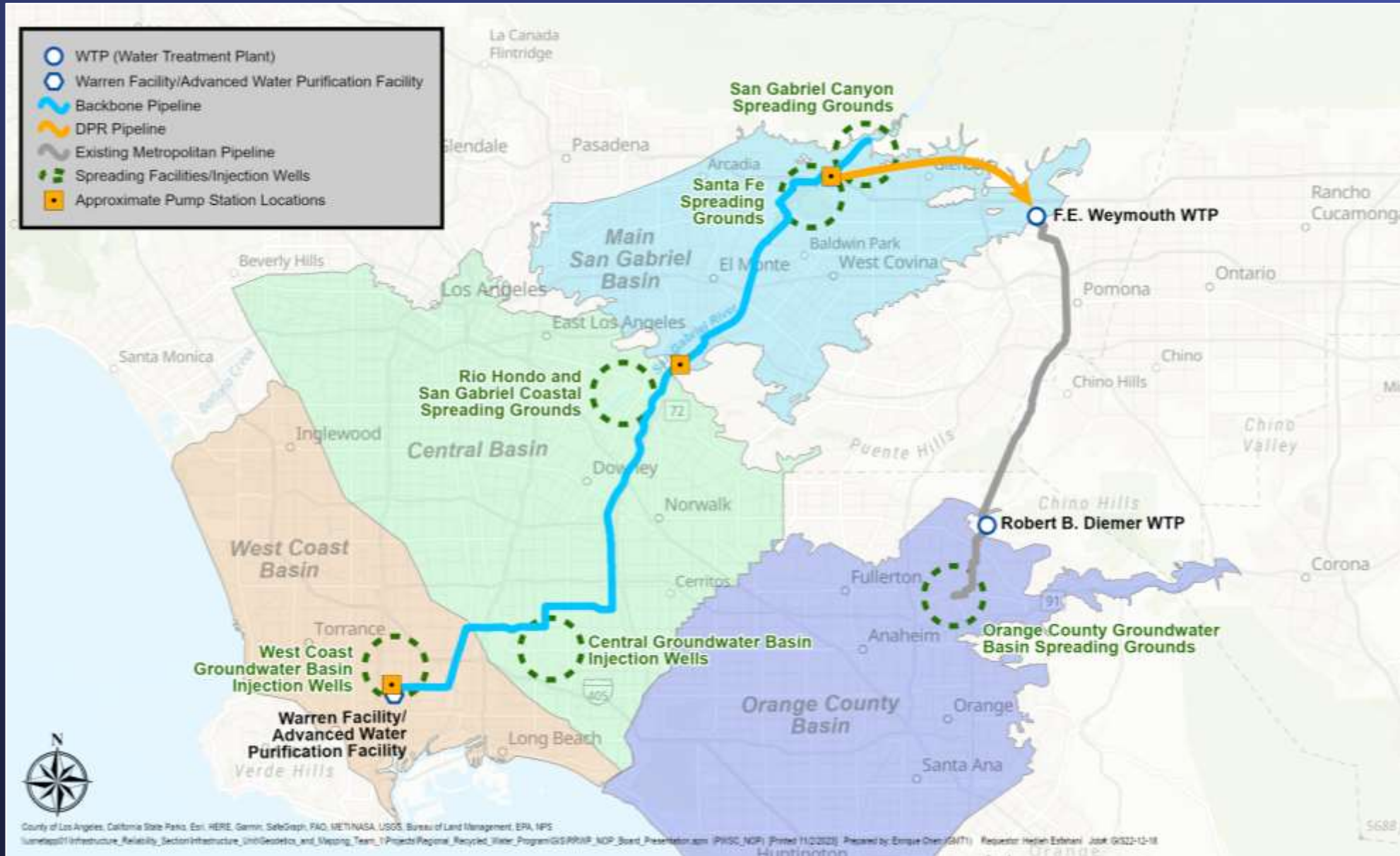
Authorize entering into one or more agreements with the United States Bureau of Reclamation

Reimbursable expenditure: up to \$125 M

Budgeted

No budget impact at this time

Pure Water Southern California Overview



PWSC LSWRP Grant Funding

Grant Funding Opportunity

- Bipartisan Infrastructure Law (P.L. 117-58, § 40905)
 - Enacted November 15, 2021
 - \$450 M in funding available in LSWRP
- November 2023 – Applied for LSWRP \$125.4 M grant for planning & design
- May 2024 – Reclamation approved Metropolitan’s Feasibility Study & issued Notice of Intent to award \$99.2 M
- November 2024
 - Reclamation issued Notice of Intent to award \$26.2 M in additional funding
 - Board adopted the LSWRP grant resolutions

PWSC
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Agreement Terms and Conditions

- Coverage period for costs and expenditures
 - Pre-award match - from April 2020
 - End date - three years from agreement execution
- Defined scope of work & budget
- Ability to acquire real property
- Single Reclamation agreement planned for entire \$125.4 M award with 3-1 non-federal cost share
- Agreement includes Special Condition
 - Reclamation to award & obligate full amount
 - Initial grant award based on spent & secured matching funds
 - Remaining grant award available with additional future matching funds consistent with program plan
 - No obligation to use full award amount

PWSC
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Practices Consistent with Federal/State Law & Reclamation Common Practices

- Reclamation will not seek “repayment” of grant funding if Metropolitan does not approve PWSC
- Federal funding allowed for alternative delivery methods authorized by California Public Contract Code
- Denial of requests for extensions are rare

PWSC Scope of Work



Planning & Design Activities

- Procure Membrane BioReactor (MBR) & Advanced Water Treatment (AWT) progressive design-build entities to start AWPf & Workforce Training Center designs
- Continue Sanitation District's design of centrate pre-treatment process
- Perform design of required pipeline reaches
- Procure alternative delivery entities for conveyance
- Evaluate treated water augmentation (TWA) opportunities
- Continue program management & outreach
- Continue demonstration testing & research

PWSC Grant Funding Sources

Current Funding Sources

- Metropolitan approximate cost-share funds
 - Environmental planning phase - \$30 M
 - State funds - \$54 M remaining after planning grant
 - DPR Demo Plant capital project - \$19.5 M
 - Board approved O&M - \$28.1 M
- Sanitation District funds - \$88.4 M
- Total available funds - \$220 M
- Federal grant funding - \$55 M
- To receive remaining grant amount, Metropolitan must secure additional approx. \$155 M in cost-share funds

Alternatives Considered

- Defer agreement until after Board approves PWSC
 - Impacts cost, schedule & use of federal grants
- Accept less grant funding
- Selected Alternative – Authorize agreement to accept LSWRP grant funds to accomplish proposed scope-of-work
 - Pursue additional non-federal matching fund opportunities
 - Return to Board in the future to authorize:
 - Appropriations to allow additional expenditures concurrent with the receipt of new matching funds
 - Remaining scope & cost match after approval of EIR & program capitalization

Program Schedule during LSWRP Grant Funding Period



Board Options

- Option #1

Authorize entering into one or more agreements with the United States Bureau of Reclamation to accept up to \$125,472,855 in grant funding through the WaterSMART Large-Scale Water Recycling Program.

- Option #2

Do not enter into an agreement with the United States Bureau of Reclamation to accept the grant funding.

Staff Recommendation

- Option #1

