



Engineering, Operations, and Technology Committee

11/18/2024 Committee Meeting

6a

Subject

Pure Water Southern California – Partnership Development Update

Executive Summary

Between 2019 and 2022, Metropolitan and its member agencies that expressed interest in beneficially using purified water directly from Pure Water Southern California (PWSC) entered into Letters of Intent (LOI). In the LOIs, Metropolitan and the member agencies express interest in collaborating to develop future agreements for the purchase and delivery of purified water. In 2020, Metropolitan's partnerships for PWSC expanded. Metropolitan and Southern Nevada Water Authority (Southern Nevada) entered an LOI, and soon after that, the Arizona Department of Water Resources and the Central Arizona Water Conservation District (Arizona Parties) submitted a letter to Metropolitan. In those letters, Southern Nevada and the Arizona Parties expressed their interest in participating in PWSC and have since contributed funds to support Metropolitan's environmental planning phase efforts on the PWSC. This year, Metropolitan staff have been meeting with the member agencies interested in beneficially using purified water from PWSC, as well as Southern Nevada, and the Arizona Parties. The meetings are intended to advance the partnerships during the planning process and establish a common vision of the partnerships post-approval of the PWSC Program if that is provided. Staff has previously provided information on the development of these partnerships to the Subcommittee on Pure Water Southern California and Regional Conveyance. This item is being presented to update the Engineering, Operations, and Technology Committee on the recent efforts to advance those partnerships.

Applicable Policy

Metropolitan Water District Administrative Code Section 5108. Appropriations

Metropolitan Water District Administrative Code Section 8121. General Authority of the General Manager to Enter Contracts

Related Board Action(s)/Future Action(s)

By Minute Item 50299, dated November 10, 2015, the Board authorized an agreement with County Sanitation District No. 2 of Los Angeles County for the development of a potential regional recycled water supply program and a demonstration project.

By Minute Item 52174, dated November 10, 2020, the Board authorized the preparation of environmental documentation and technical studies, and public outreach activities for the Regional Recycled Water Program.

By Minute Item 52210, dated December 8, 2020, the Board authorized an amendment to an existing agreement with County Sanitation District No. 2 of Los Angeles County and a new agreement with Southern Nevada Water Authority to support continued evaluation and development of the Regional Recycled Water Program.

By Minute Item 53052, dated December 13, 2022, the Board authorized the General Manager to use \$80 million in grant funding from the State Water Resources Control Board and to commence activities related to the initiation of the Pure Water Southern California Program.

By Minute Item 53792, dated September 10, 2024, the Board authorized an amended and restated agreement with County Sanitation District No. 2 of Los Angeles County for shared implementation of the advanced water purification facility for Pure Water Southern California.

Details and Background

Background

Through PWSC, Metropolitan would take water that is currently cleaned at the Los Angeles County Sanitation Districts' A.K. Warren Water Resource Facility in the City of Carson and further purify it using an advanced, multi-stage purification process to produce up to 150 million gallons per day of high-quality drinking water.

Agreement Development with Metropolitan Member Agencies

Metropolitan has partnered with member agencies that have expressed interest in beneficially using purified water directly from PWSC. Those member agencies, each of which signed LOIs, are: Central Basin Municipal Water District, the City of Long Beach, the City of Los Angeles, Three Valleys Municipal Water District, the City of Torrance, Upper San Gabriel Valley Municipal Water District, and West Basin Municipal Water District.

Between April and July 2024, Metropolitan hosted three workshop meetings at which Metropolitan and the member agencies agreed to initially focus on developing term sheets. A term sheet is being developed with a main document and an attachment. Each main document is being prepared to present: (1) background through recitals; (2) objectives during the planning period; (3) expectations and performance responsibilities for funding, construction, and activities during the operation and maintenance of PWSC; and (4) additional collaboration opportunities, if any. Each attachment is developed to provide member agency-specific details, such as minimum and maximum demands for purified water.

Agreement Development with Colorado River Partners

Metropolitan has also established partnerships with Colorado River Basin agencies: Southern Nevada and the Arizona Parties. In March 2020, Metropolitan and Southern Nevada signed an LOI through which they expressed their desire to collaborate on developing a future agreement for PWSC. The Arizona Parties followed in August 2020 with a letter to Metropolitan requesting collaboration on PWSC. Both letters highlighted the significant opportunity that PWSC presents to address conditions in the Colorado River Basin. Metropolitan staff are currently in discussions with Southern Nevada and the Arizona Parties regarding their potential participation in the full-scale program. Metropolitan and Southern Nevada agreed that an objective of their discussions is to have a draft term sheet available in early 2025 for presentation to the respective governing board. Metropolitan and the Arizona Parties had a preliminary meeting on October 15, 2024. Metropolitan and the Arizona Parties agreed to continue their discussions.

Next Steps

Staff will continue to work with Metropolitan’s member agencies, Southern Nevada, the Arizona Parties, and other interested parties to advance the partnerships, increase the level of concurrence during the planning process, and establish direction for future agreements.

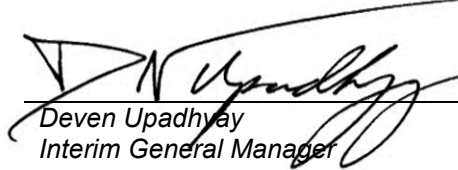
Staff intends to bring an action item before the Board in the first half of 2025 to: (1) approve the term sheets for the member agencies interested in beneficially using purified water from PWSC and for Southern Nevada; and (2) for the member agencies interested in beneficially using purified water from PWSC, authorize the General Manager to sign a memorandum of agreement substantially consistent with the term sheets.



Mai M. Hattar
Interim Chief Engineer
Engineering Services

10/22/2024

Date



Deven Upadhyay
Interim General Manager

10/28/2024

Date