



Subcommittee on Pure Water Southern California  
and Regional Conveyance

# Update on Pure Water Southern California Partner Agreements

Item 3c

June 25, 2024

Item 3c  
Update on  
PWSC Partner  
Agreements

Subject

Update on Pure Water Southern California Partner Agreements

Purpose

To provide an update on the development of PWSC agreements

Next Steps

Continue efforts to reach agency agreements to support the Program goals and objectives

**Item 3c**  
Update on  
PWSC  
Partner  
Agreements

## Agenda

- LACSD Agreement Amendment No. 2
- Member Agency term sheets/memorandum of agreement
- Agreements with other agencies





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# LACSD Agreement Amendment No. 2

**Item 3c**  
Original  
MWD/LACSD  
Agreement

## Obligations of Both Parties

- Authorized by both boards in 2015
  - **Demonstration Plant**
    - Metropolitan to design/construct/operate
    - LACSD to provide site, and supply source water/take residuals
  - **Future Full-Scale Plant**
    - Majority of treatment facilities provided by Metropolitan
    - LACSD will provide site, and supply source water/take residuals
    - Agencies will jointly pursue grant funding and share prorate based on respective responsibilities

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Amendment  
No. 1

## Revisions Focused on Environmental Planning Process

- Authorized in November 2020
  - Added cost sharing for environmental planning process
  - Collaboration on conceptual design of full-scale treatment facilities

**Item 3c**  
Focus of  
Current  
Negotiations

## Development of Key Terms for Amendment

- Amending current agreement facilitates expediting receipt of, and use of grants
- Metropolitan and LACSD staff are currently negotiating agency responsibilities for the full-scale Program
- Potential shared responsibility for design, construction and operation of treatment facilities
- Focus of the negotiations:
  - AWPf Pretreatment/MBR
  - Demonstration plant operation
  - Program cost sharing
  - Approach to sharing of grants

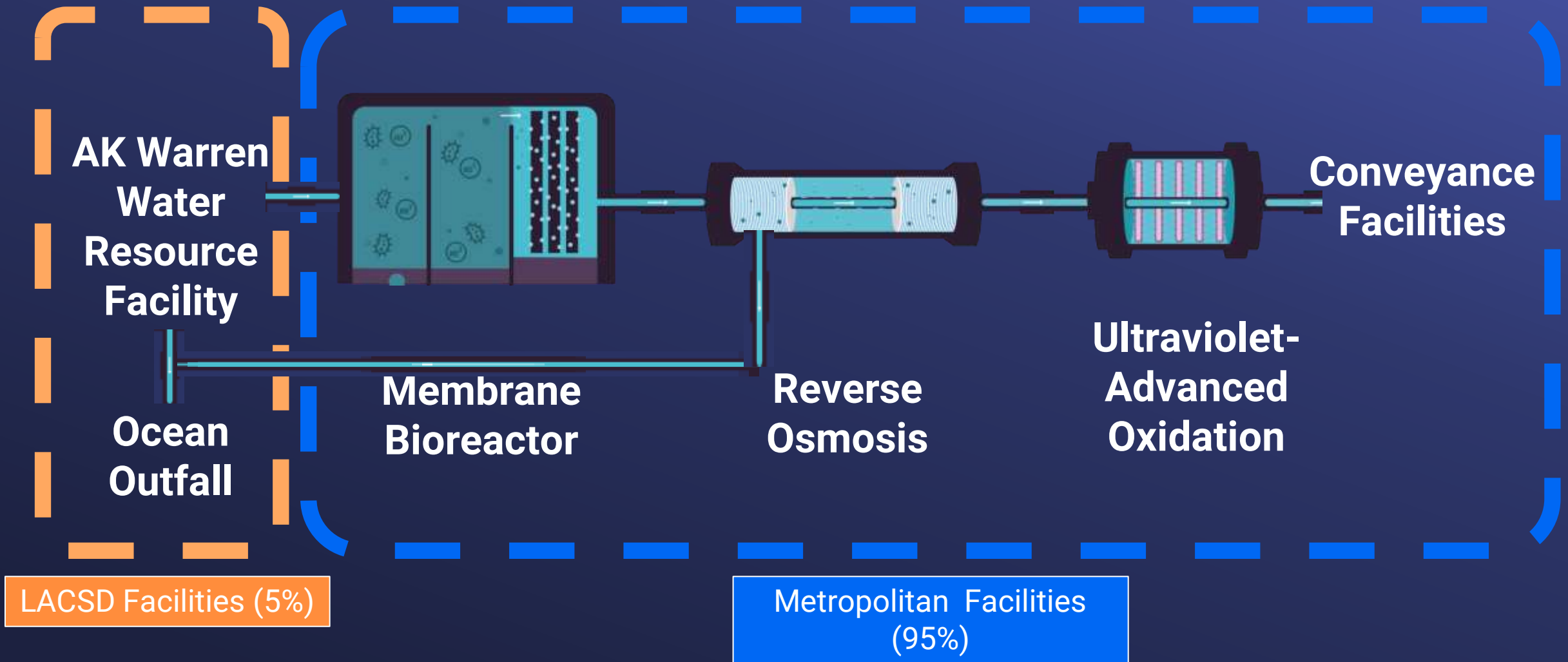
Item 3c  
Proposed  
Scope of  
Amendment  
No. 2

## Shared Responsibilities for PWSC Treatment Processes

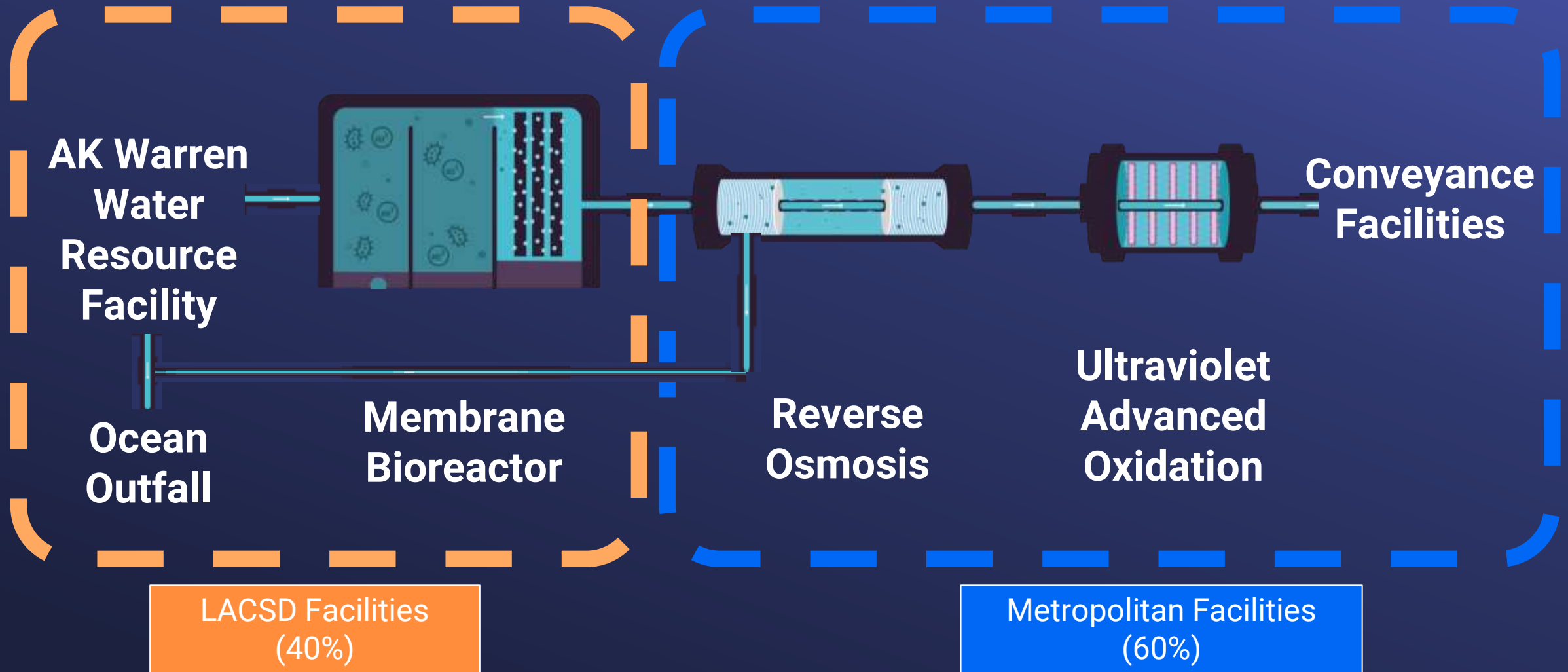
- LACSD
  - Pre-treatment processes/systems ahead of reverse osmosis, including the Membrane Bio Reactor (MBR) & residuals processing/disposal
- Metropolitan
  - Remainder of on-site treatment processes, off-site pipelines, and recharge facilities
- Metropolitan and LACSD will share:
  - Outside funding and grants
  - Operational workforce development efforts
  - Demonstration plant operation



# Original PWSC Treatment Process Responsibilities



# Proposed PWSC Treatment Process Responsibilities



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No. 2

## Proposed Board Schedules

- Metropolitan
  - Informational letter: August 2024
  - Board Authorization: September 2024
- Sanitation Districts
  - Joint Outfall District Board Briefings: June 2024
  - District No. 2 approval: October 2024
- Long-term Program governance agreement
  - New agreement
  - To follow Board certification of PWSC PEIR
  - Anticipated late-2025



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Update and Request for Input  
on Effort to Advance  
Member Agency and  
Colorado River Partnerships

# Initial Focus

LOIs  
2018-2022

- Separate documents signed by each potential partners

Term Sheets  
Sept. 2024

- Tentative approach on critical deal points

Memorandum  
of Agreement  
Early 2025

- Short-term provisions

# Context for Advancing Partnerships

## Rough Schedule



# Proposed Term Sheet Structure

## Recitals

- Value of Pure Water
- Operational Principles
- Price Term
- Collaboration and Coordination

## Terms

- Intent
- Expectations
- Performance

# Proposed Term Sheet - Recitals

## Value of Pure Water

- Improve long-term, regional reliability
- Reduce region's reliance on imported water
- Provide water for multiple, beneficial uses
- Further statewide goals of increasing the use of recycled water

## Operational Principles

- Define and ensure coordination of schedules and responsibilities
- Enhance operational flexibility
- Align quantity, quality, and timing of demands with supply



# Proposed Term Sheet - Recitals

## Price Term

- Reflective of regional benefits
- Reflective of benefits – to member agencies, as well as to Metropolitan

## Collaboration

- Emphasize principles of affordability and equity

## Coordination

- Pursue external funding
- Support permitting and construction
- Maximize the value of research and development efforts

# Proposed Term Sheet - Terms

- Intent
- Provide “new” water and at new service connections
  - Provide regional resiliency benefits
  - Allow Pure Water to operate and avoid interruptions

# Proposed Term Sheet - Terms

## Expectations

### **Metropolitan**

- Pure Water financing, construction, O&M
- Delivery of water (including price term)
- Pure Water environmental compliance and permitting

### **Each Member Agency**

- Integration with Pure Water
- Behind the meter:
  - construction and O&M
  - environmental compliance and permitting

### **Shared**

- Coordination and collaboration
- Service connections
- Certain permitting and reporting

# Proposed Term Sheet - Terms

## Performance

### **Metropolitan**

- Supply of water, on schedule
- Quality of water

### **Member Agencies**

- Demand for water, on schedule
- Payment for water

# Next Steps

1. Further Colorado River partnerships
2. Continue to develop member agency term sheets, consistent with input provided today
3. Return in August/September timeframe for additional input/direction

