

One Water Committee



Authorize the General Manager to amend the existing Local Resources Program agreement for the East County Advanced Water Purification (ECAWP) Project

Item 7-5

October 25, 2022

Local Resources Program

Background

Provides incentives for Metropolitan's member agencies to develop new local projects to reduce demand on imported water deliveries.



Recycled
Water
(1982)



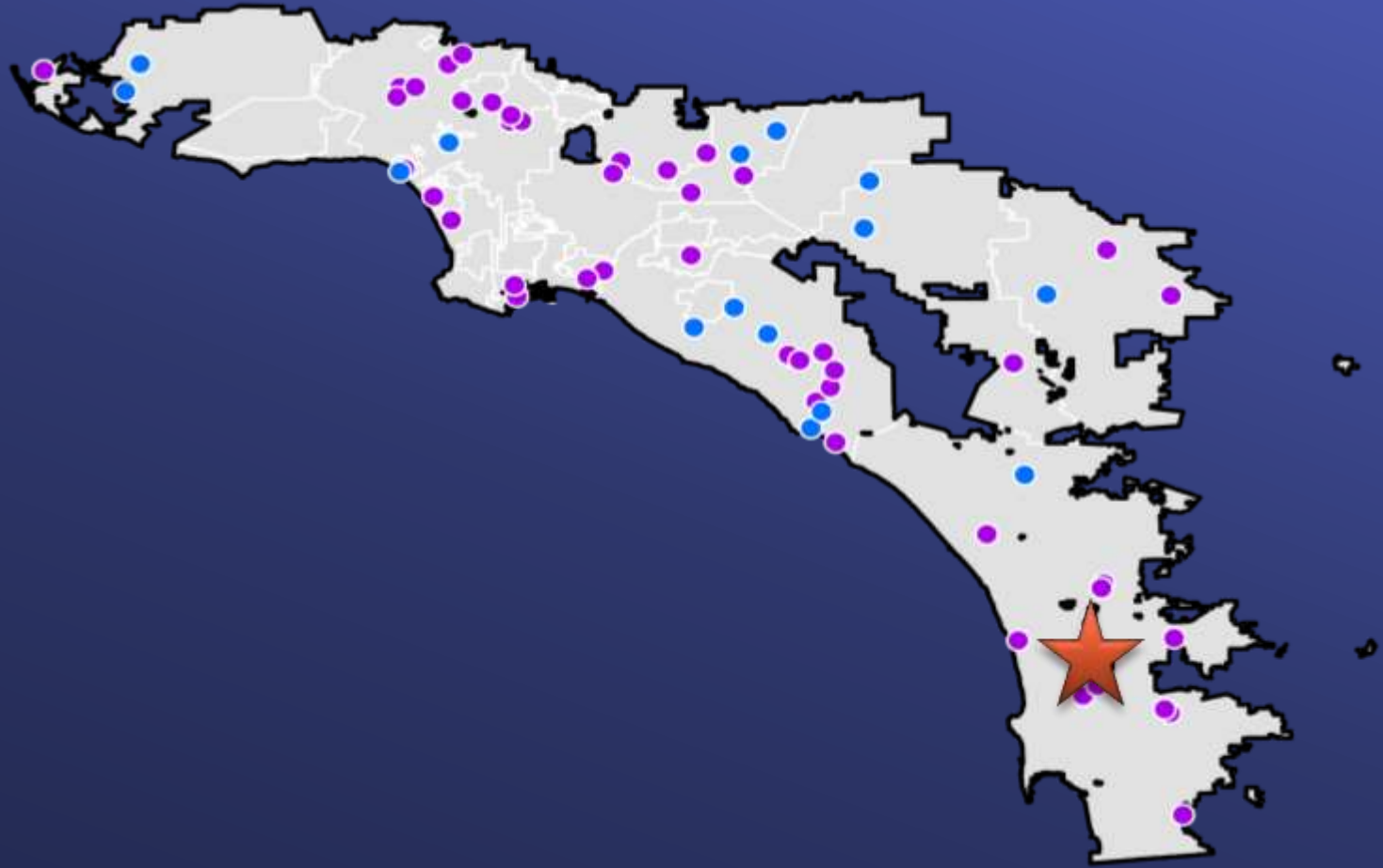
Groundwater
Recovery
(1991)



Seawater
Desalination
(2014)

Local Resources Program

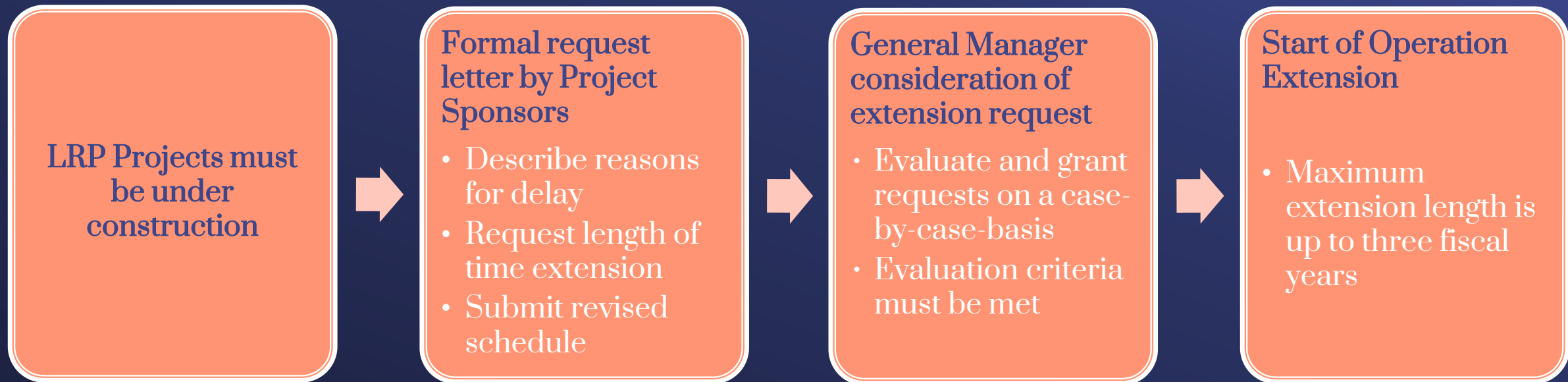
Program Status



Type	Number of Projects	Contract Yield (AFY)	Deliveries to Date (AF)	Incentives to Date (\$M)
● Recycling	88	357,310	3,072,393	533.82
● Groundwater Recovery	28	124,747	1,134,315	186.89
Total	116	482,058	4,206,707	720.7

Approved LRP Framework

- On June 8, 2021, the Board approved framework and criteria for agency requests to extend the start of operation milestone
 - Project must have an active LRP agreement
- Evaluation criteria for extensions



- Extension requests meeting evaluation criteria must be approved by the Board

Approved LRP Framework

Approved projects

Approved Extensions to the Start-of-Operation Milestone

LRP Project	Member Agency	Ultimate Yield (AFY)	Date of Agreement Execution	Original Start of Operation Due Date	Extended Start of Operation Due Date	Length of Extension Requested
Perris II Brackish Groundwater Desalter	EMWD	5,500	6/01/2017	6/30/2021	6/30/2022	12 months
Sepulveda Basin Sports Complex Water Recycling Project	LADWP	350	6/08/2017	6/30/2021	6/30/2024	36 months
Westside Area Water Recycling Project	LADWP	150	6/08/2017	6/30/2021	6/30/2024	36 months
Terminal Island Recycled Water Expansion Project	LADWP	8,000	6/08/2017	6/30/2021	6/30/2024	36 months

East County Advanced Water Purification Project

Project Details

- On July 14, 2020, the Board authorized the General Manager to enter into a LRP agreement with SDCWA and ECAWP Joint Powers Authority (JPA)
- Advanced Water Purification Facility
 - Pipelines, pump stations, inlet structure
 - Capacity: 12,882 AFY
- Advanced treated recycled water for surface water augmentation at Lake Jennings

East County Advanced Water Purification Project

Background

- Agreement executed November 10, 2020
 - 322,000 AF maximum LRP contract yield over 25 years
 - Sliding scale incentives up to \$475/AF for 15 years
 - \$91.8 million maximum lifetime contract payment
- Project started construction on June 1, 2022
- The project is owned and operated by the JPA:
 - Padre Dam MWD
 - County of San Diego
 - City of El Cajon

Request for extension to start of operation

- SDCWA, on behalf of JPA, submitted a formal request to extend start operation milestone from June 30, 2025, to June 30, 2028.
 - Parties to the agreement are committed to the completion of the project
 - Project will start operation on or before June 30, 2028
- Reasons for additional time needed
 - Significant cost increases of critical materials and equipment caused extensive delays
 - Supply chain constraints delayed vendors in providing construction materials and equipment
 - Project start-up, testing, and regulatory approvals delayed

Request for extension to start of operation

Summary

- Extension request meets all Board approved criteria
- All terms of the existing LRP agreement remain unchanged
 - Amendment only changes the start of operation milestone
- No further CEQA review is required
- No change to the maximum financial commitments approved by the Board
 - Shift in the timing of expenditures

Board Options

- Option #1
 - Adopt CEQA determination that the environmental effects of the East County Advanced Water Purification Local Resources project that is the subject of the proposed action was previously addressed in Padre Dam Municipal Water District's Mitigated Negative Declaration and related CEQA actions and that no further CEQA review is required.
 - Authorize the General Manager to amend the existing Local Resources Program Agreement with SDCWA and ECAWP JPA for ECAWP Project.
- Option #2

Do not authorize an amendment to the original agreement for the Project.

Staff Recommendation

- Option #1

