



# Review of Local Resources Program/On-Site Retrofit Activity During FY 2020/21

Conservation and Local Resources Committee

Item 6c

September 28, 2021

# Local Resources Program

Provides incentives for Metropolitan's member agencies to develop new local projects to increase water supply reliability in the region



Recycled Water  
(1982)

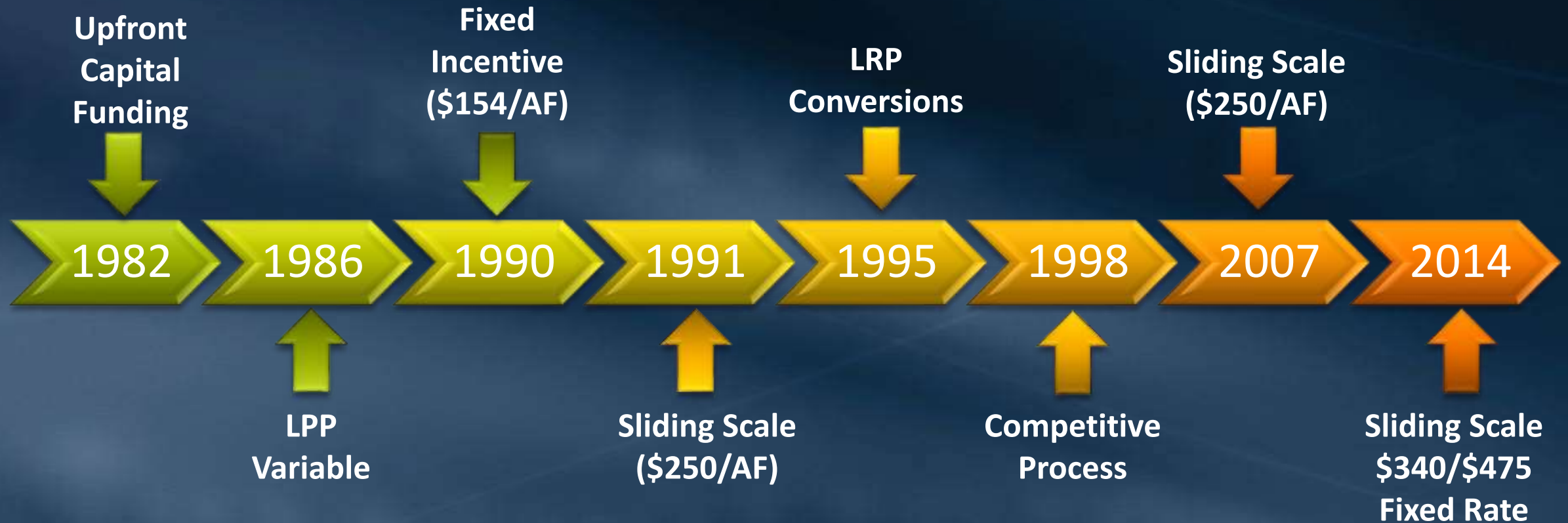


Groundwater Recovery  
(1991)



Seawater Desalination  
(2014)

# Local Resources Program Evolution



- Add new resources and improve flexibility in response to feedback
- Program targets to help meet long-term needs and signal continued commitment to local supply development

# Local Resources Program

LRP continuously refined to support the development of local projects





# Local Resources Program *Refinements*

Payment Structure Alternatives	Payment Period	Maximum* Incentive Amount
1 – Sliding Scale	25 years	\$340/AF
2 – Sliding Scale**	15 years	\$475/AF
3 – Fixed Incentive Rate	25 years	\$305/AF

\* Payment for project water produced and used

\*\* Project must produce for 25 years

2014

Introduced new incentive structure

2018

Established interim target

- 170,000 Acre-Feet
- 10 agreements signed (66,000 AF)

# Local Resources Program *Recent Updates*

2021

Performance  
provision  
refinements

- Framework for amending start of operation
  - Approved by Board in June 2021
- Extension can be up to three years
- Agreement amendment requires Board approval





2021

Performance  
provision  
refinements

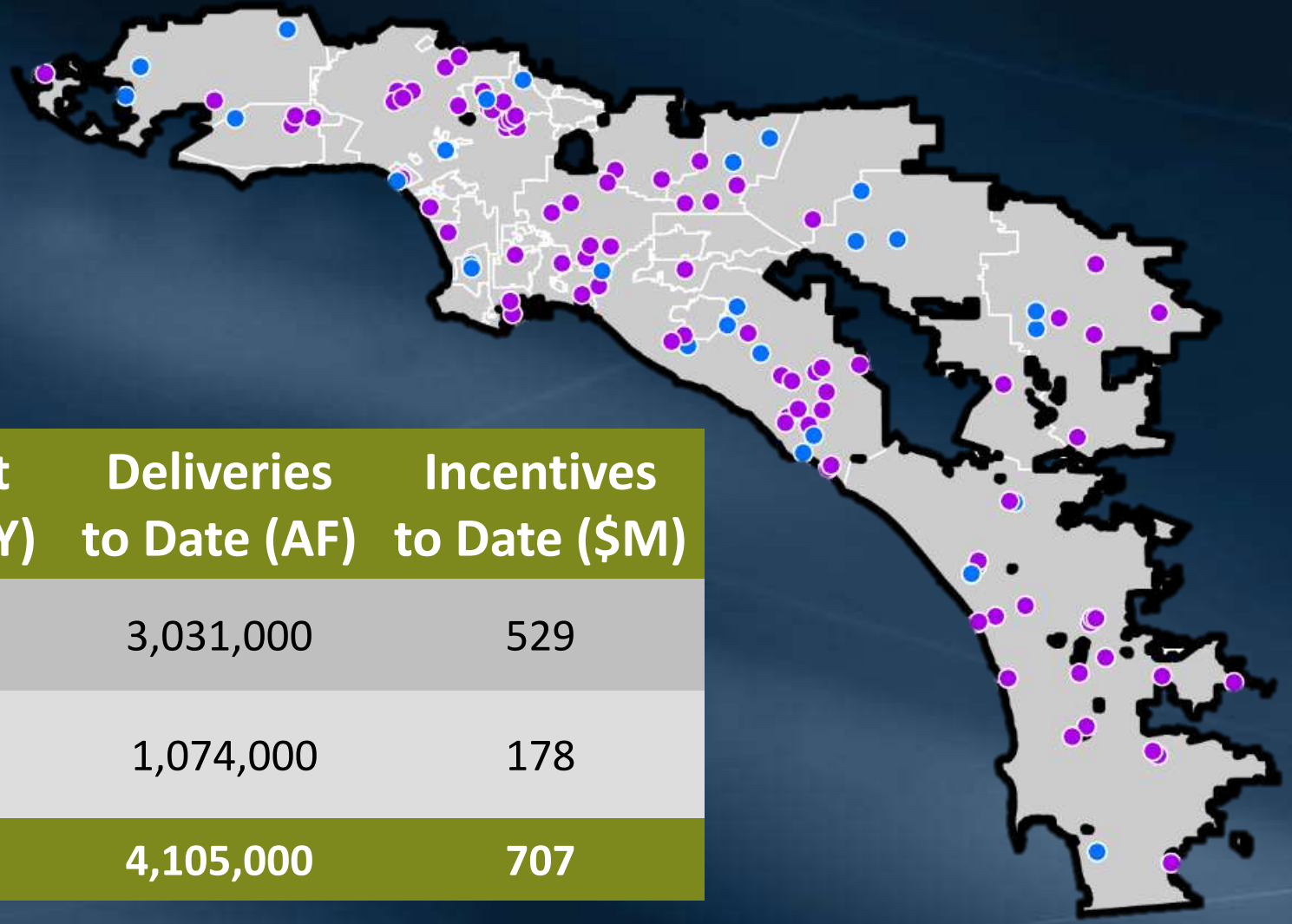
- Framework for extending agreement termination date
  - Proposed for Board approval in October 2021
- Pause the agreement
- Extension can be up to three years
- Agreement amendment requires Board approval

# Consistent With Approved Framework

Staff would request Board authorization for extension or amendment to an active LRP project based on the following criteria:

Formal Extension / Amendment Request by Project Sponsors	Continuing Pursuance of Project by Parties	Project Schedule	Start of Operation Extension
<ul style="list-style-type: none"><li>• Include project-specific circumstances for extension request</li></ul> 	<ul style="list-style-type: none"><li>• Affirm that all parties to the agreement are still pursuing the project</li></ul> 	<ul style="list-style-type: none"><li>• Provide a revised schedule</li></ul> 	<ul style="list-style-type: none"><li>• Affirm that project will start operation within requested extension</li><li>• Extension may not exceed three fiscal years</li></ul> 

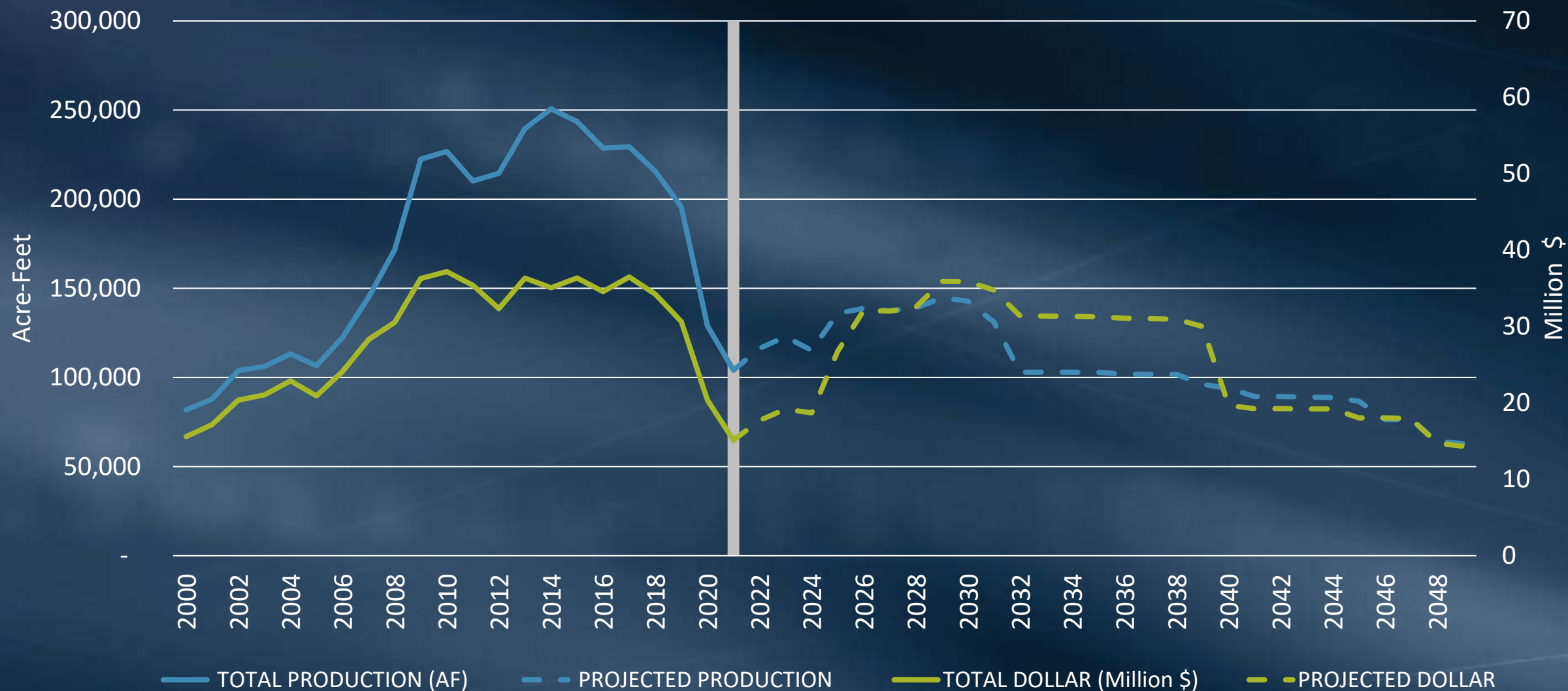
# Local Resources Program *To-Date*



Type		Number of Projects	Contract Yield (AFY)	Deliveries to Date (AF)	Incentives to Date (\$M)
Recycling	●	88	359,000	3,031,000	529
Groundwater Recovery	●	28	125,000	1,074,000	178
Total		116	484,000	4,105,000	707

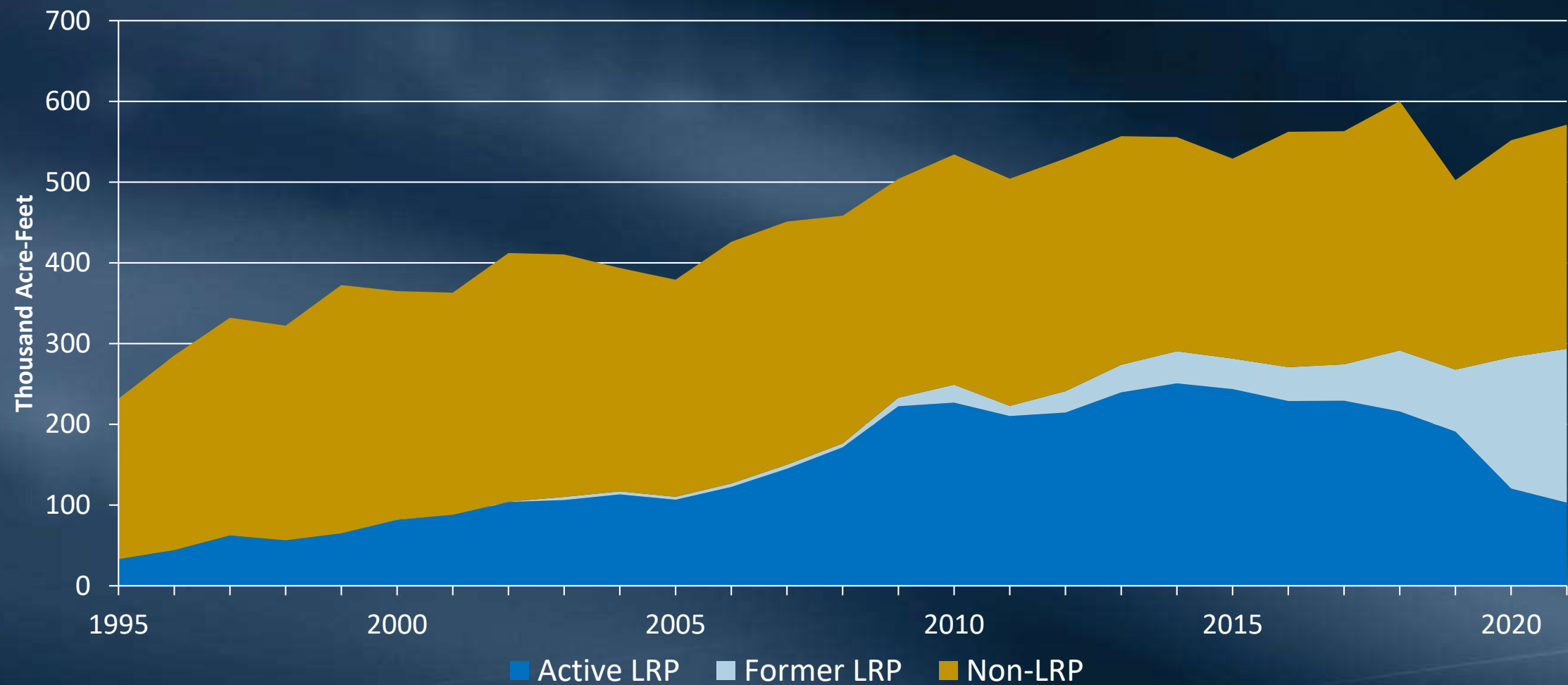


# Local Resources Program

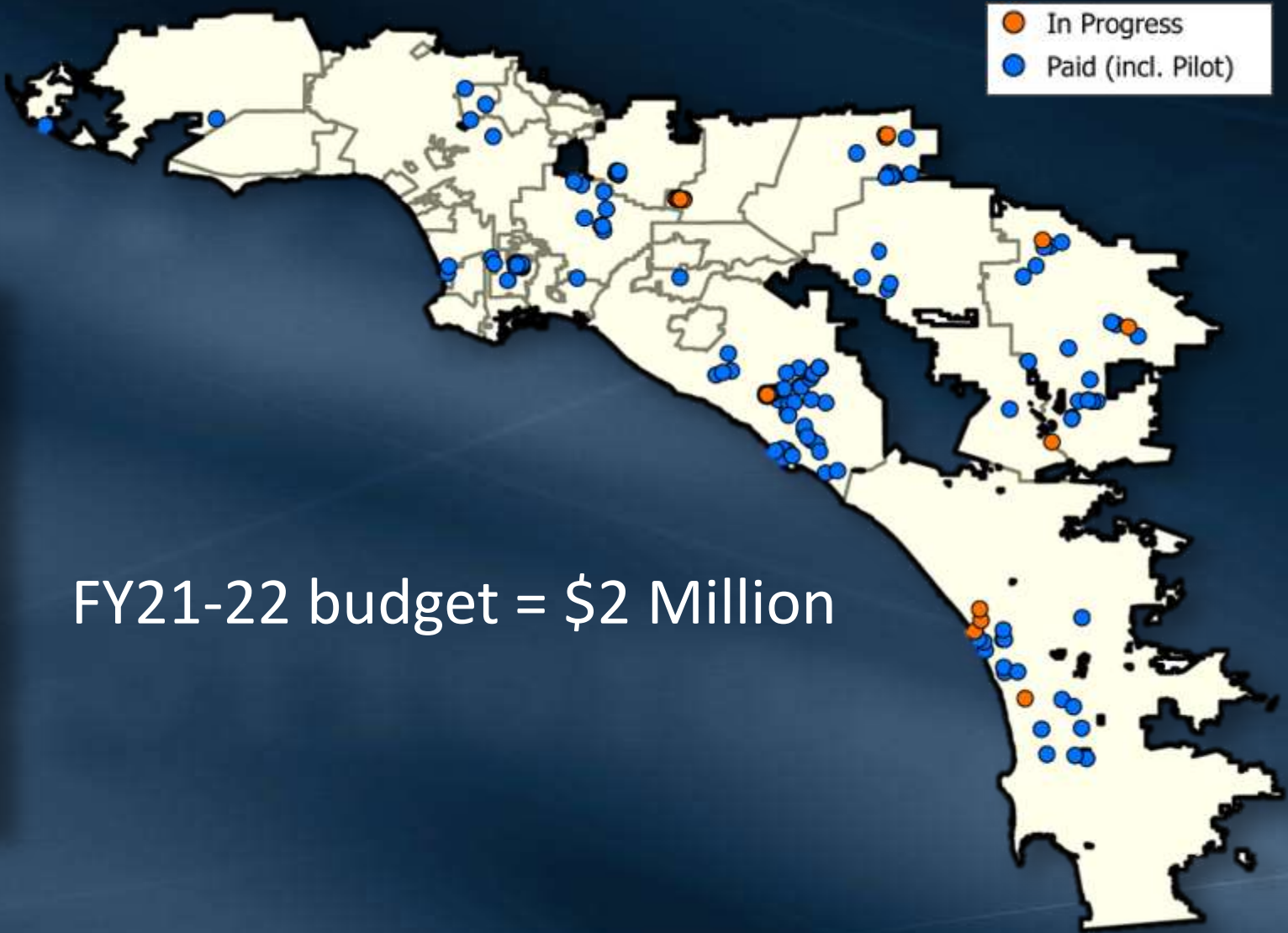
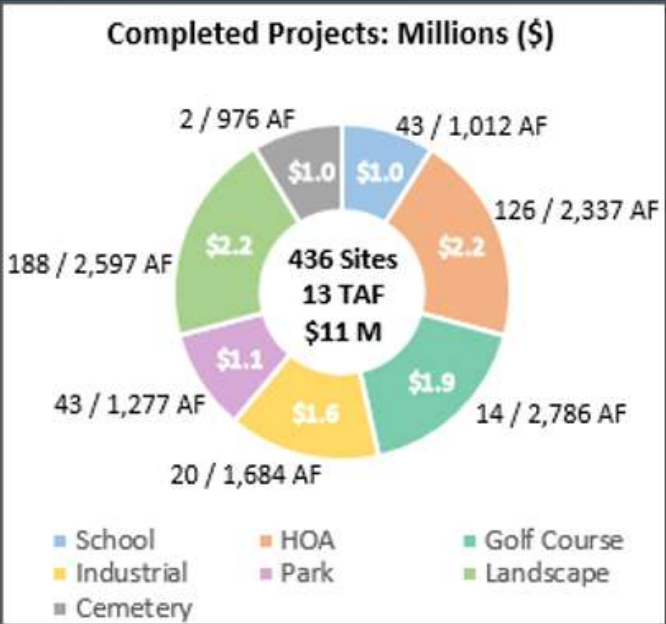


# Local Resources Program

Recycled Water + Groundwater Recovery



# On-Site Retrofit Program



FY21-22 budget = \$2 Million

# Local Resources Program *Additional Efforts*



Member Agency  
Workgroup



Recycled water  
GIS



Legislation



# Summary

- LRP supports local resource development in the region
  - LRP accelerates project development among member agencies
  - LRP helps improve regional reliability



