



Engineering & Operations Committee

Pure Water Southern California Use of Grant Funds

Item 7-3

December 12, 2022

Pure Water Southern California Use of Grant Funds



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Program Accomplishments

- Studies, Reports, & White Papers
- Demonstration plant design, construction & operation
- Over 500 tours & presentations reaching nearly over 20,000 people
- ASCE Region 9 2021 Outstanding Water/Wastewater Project
- ENR California 2020 Owner of the Year
- Recycled Water Staff Person of the Year Award

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Program Update

- Issued Notice of Preparation, held scoping meetings & conducted outreach
- Initial conveyance alignments approved by cities
- Continued coordination with Army Corps & LA County Flood Control District
- Conducted workshops to develop process & implementation strategy for DPR
- Began secondary MBR demonstration testing
- Supported agency reuse collaborative meetings

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Current Action

- Authorize the General Manager to use \$80 million in grant funding from the State Water Resources Control Board to commence activities related to the initiation of the Pure Water Southern California program
- Authorize an increase to Metropolitan's current staff levels by 17 full-time equivalent positions

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AB 179 Amendment to Budget Act of 2022

- Governor signed AB 179 to include allocation of \$80 million to Metropolitan for Pure Water Southern California
 - Administered by State Water Resources Control Board
 - One lump sum payment no later than January 2024
 - Available for expenditure until June 30, 2026
 - Funds limited to planning & design activities only

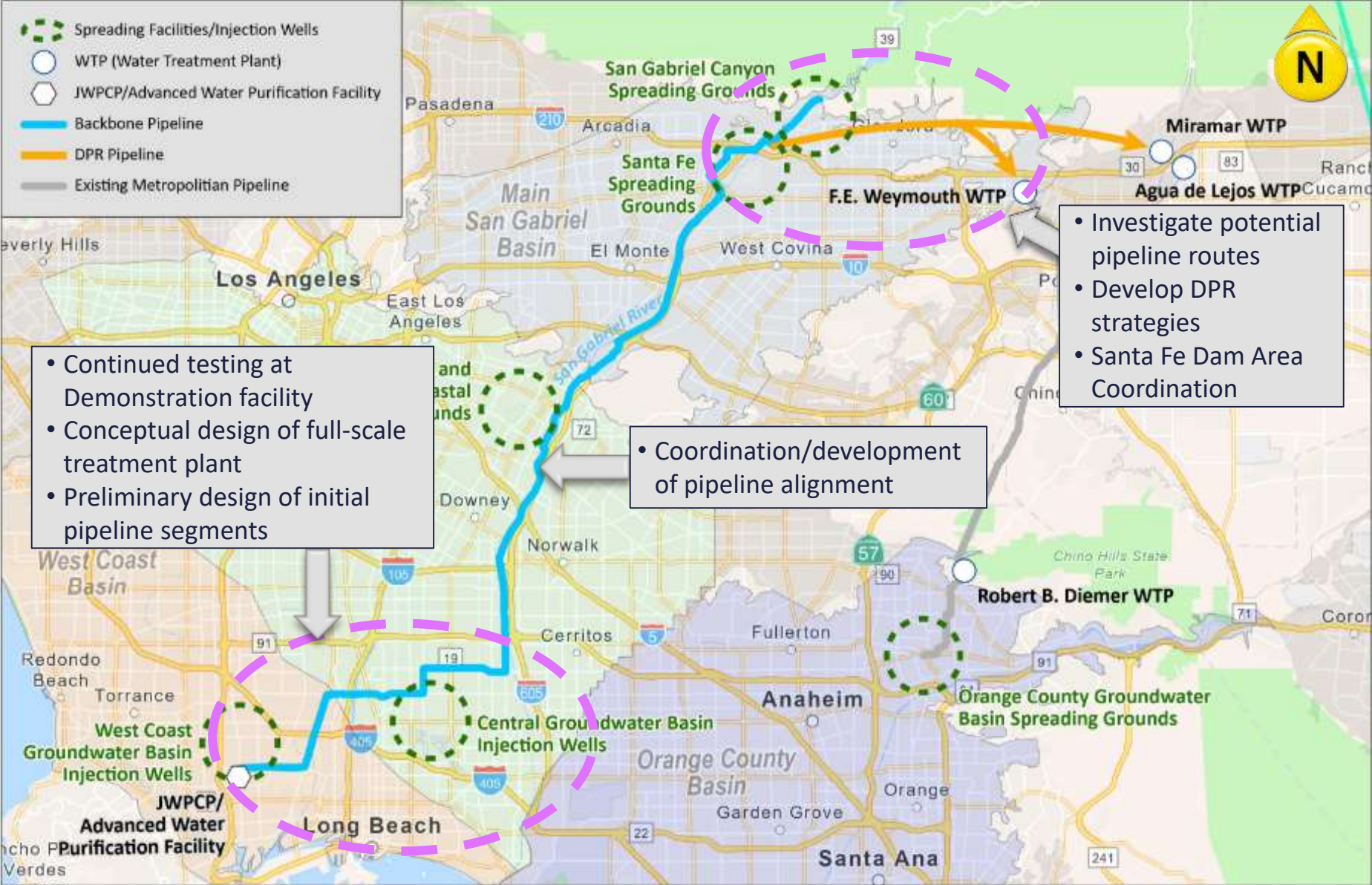
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Activities for Use of Grant Funds

- Establish program management team
- Commence early implementation activities
- Continue demonstration testing of advanced treatment technologies
- Other tasks related to program advancement & development

Early Implementation Activities

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State Funding Accelerates Work on the Program

- Use of state funds will allow designs to start up to 18 months earlier than originally planned
- Early design work will support the planned 2028 early delivery and full Phase 1 program online date of 2032
 - Detailed investigations and designs now will identify unforeseen issues
 - Issues can be resolved in a timely manner
 - Early issue resolution will reduce risks to the planned schedule

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State Funding Accelerates Work on the Program

- Early design work:
 - Allows construction of early delivery infrastructure to start sooner
 - Enhances ability to make early deliveries by 2028

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Scope of Work

- Metropolitan
 - Program management, project controls & agency coordination
 - Oversight & review of consultant's work
 - Engineering and technical studies/designs
 - Continued Demonstration facility testing
- Consultant
 - Support to:
 - Program management team
 - Early implementation activities
 - Demonstration facility operations/maintenance

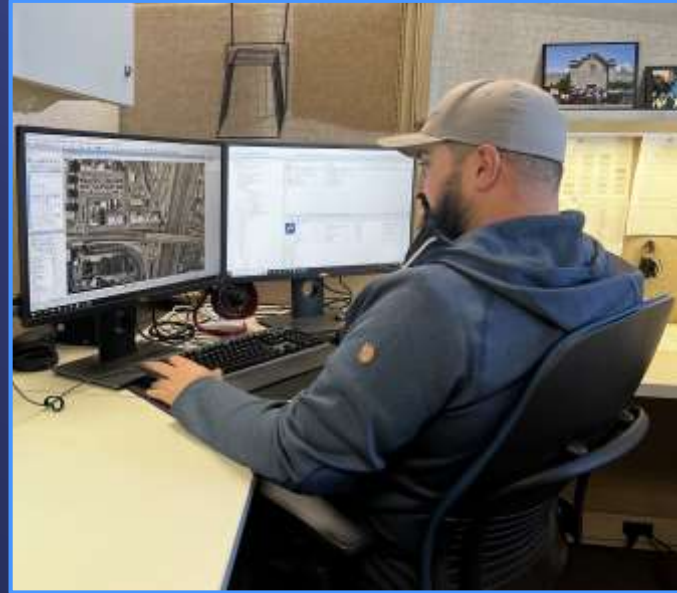
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Alternatives Considered – Grant Funding

- Defer authorization of use of funds until water sale contracts are finalized, cost sharing agreements are in place with partners & cost of service analyses are completed
- Selected alternative – Authorize use of grant funds immediately to ensure receipt of funds & to ensure full complement of funds can be expended within prescribed limitation

Staffing Request for Pure Water Program

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Treatment plant site mapping



Water quality testing



Equipment maintenance



Pipeline alignment development

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Staffing Summary

- Staff recommends 17 new full-time equivalents (FTEs) be authorized to directly support the program
 - Engineering – 10 staff
 - Operations – 7 staff
- Direct salaries & benefits initially covered by state grant funding
- If Board decides not to proceed with Program, FTEs will be reduced through attrition by end of three-year period

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Key Staffing Questions

- Why are additional FTEs being requested now
- What type of staff are needed and what will they be working on
- What happens to new staff if the program does not go forward
- What are the consequences of not approving the additional staff

Current Staff Request

Group	Feb. 2022 Budget Process FTE Request	Dec. 2022 FTE Request
WSO	6	7
ESG	9	10
	15	17

- Positions originally requested as part of current biennial budget
 - Staff committed to pursuit of grant funding
- Grant funding received
- Need for staff continues in order to fully stand-up program and continue critical testing

Anticipated Staff Assignments and Classifications

- Operations
 - Plan and operate Demonstration Plant to support test program
 - Perform maintenance of test facility
 - Conduct laboratory analyses to support testing program
- Engineering
 - Establish and administer Pure Water program team
 - Conduct pipeline alignment studies
 - Further develop treatment site plans
 - Provide oversight of consultants

Recommended Positions

Operations		Engineering	
Engineer	1	Associate Engineer	4
Water Quality Specialist	1	Engineer	3
Plant Operator	1	Program Control Specialist	1
O&M Technicians	4	Administrative Assistant	1
		Team Manager	1
7 positions		10 positions	

Contingency Staffing Plans

- Short term
 - Planned staff increases are fully covered by the \$80M grant
- Long term Options
 - If Board approves program in future, staff will be retained
 - If Board does not commit to funding program beyond initial \$80M
 - Metropolitan typically averages approx. 100 retirements per year
 - Approx. 2/3rds of these retirements are from Operations and Engineering
 - Relatively straight forward to roll back the added positions through retirements

Consequences of Not Increasing Staff Levels

- Work on other critical O&M and Capital projects impacted
 - Key staff assignments to Pure Water must be made
 - Staff will continue to rely heavily on consultants to conduct core work
- Misses an opportunity to develop staff for future roles on Pure Water Program

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Alternatives Considered - Staffing

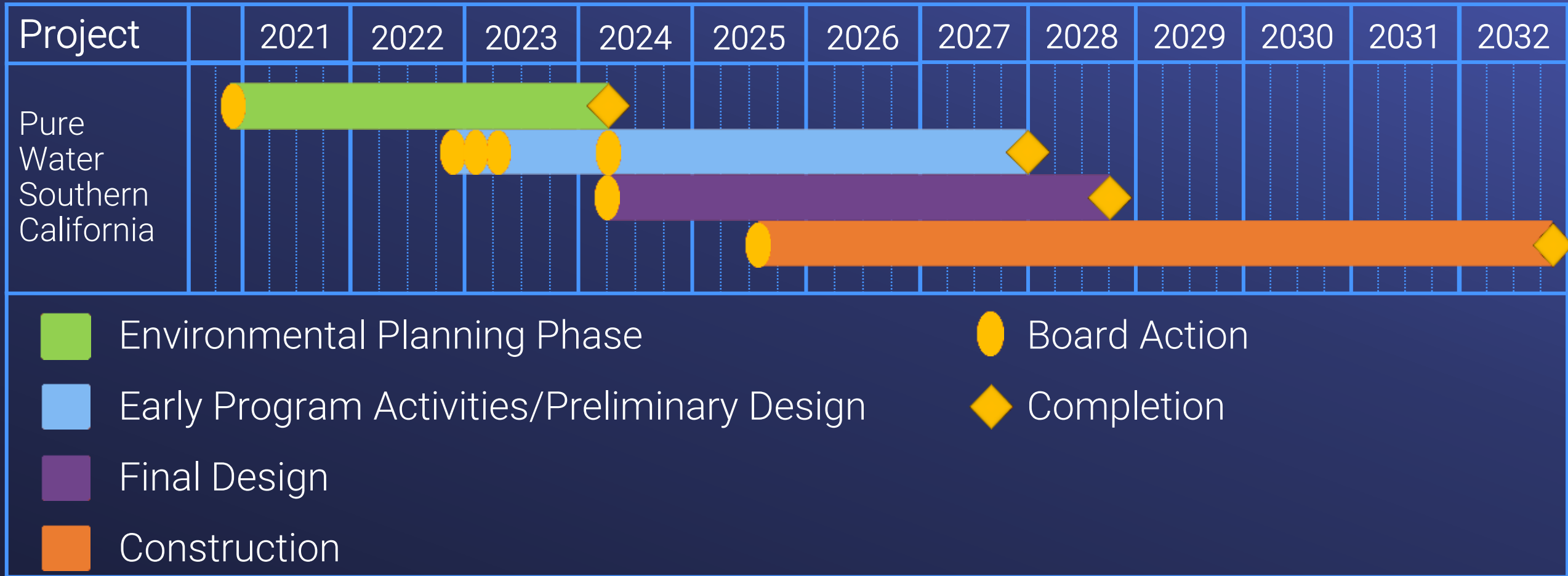
- Implement initial staffing strategy
 - Melded team of in-house staff & consultants
 - Use professional services agreements
- Defer request for additional staff until Board approves full program
- Recommended approach
 - Add full-time Metropolitan staff & supplement with professional services
 - Use limited-duration/temporary employees

Allocation of Funds

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Metropolitan Labor	
Preliminary Design	\$ 12,800,000
Owners Costs (Proj. Mgmt., Agency Coord., etc.)	12,200,000
Materials & Supplies	750,000
Incidental Expenses	250,000
Professional/Technical Services	50,000,000
Remaining Budget	4,000,000
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	Total
	\$ 80,000,000

Project Schedule



Board Options

- Option #1
 - Authorize the General Manager to use \$80 million in grant funding from the State Water Resources Control Board, and authorize an increase of 17 staff to Metropolitan's current full-time equivalent employee headcount to commence activities related to the initiation of the Pure Water Southern California program.
- Option #2
 - Authorize the General Manager to use \$80 million in grant funding from the State Water Resources Control Board, to commence activities related to the initiation of the Pure Water Southern California program.
- Option #3
 - Do not proceed with use of state funds at this time, and do not increase Metropolitan's current full-time equivalent employee headcount.

Staff Recommendation

- Option #1

