

**LETTER OF INTENT TO COLLABORATE ON THE DEVELOPMENT OF A FUTURE
MEMORANDUM OF UNDERSTANDING RELATED TO THE PRODUCTION,
DISTRIBUTION, AND DELIVERY OF ADVANCED TREATED WATER WITHIN THE
LOS ANGELES REGION**

This Letter of Intent (LOI) is made by and between the Metropolitan Water District of Southern California (Metropolitan) and West Basin Municipal Water District (West Basin), who may be referred to individually as "Party" or collectively as "Parties".

Background

- A. Metropolitan and County Sanitation No. 2 of Los Angeles County (Sanitation District) are working together to develop a Regional Recycled Water Program (Program). The objective of the Program is to produce up to 150 million gallons per day (MGD) of advanced treated water from a new advanced water treatment (AWT) facility located at the Sanitation District's Joint Water Pollution Control Plan in Carson, California (Metropolitan AWT Facility). The Program's development may be phased, starting at lower levels of production with the potential to build up to 150 MGD of production as demands and conditions warrant.
- B. If the Program is finalized and approved by Metropolitan's Board of Directors, it will also include plans for the development of a conveyance system consisting of approximately 60 miles of pipeline and a series of pump stations (AWT Conveyance System). The AWT Conveyance System could potentially deliver up to 150 MGD of treated water to the Central, West Coast, Orange County and Main San Gabriel Groundwater Basins. Delivery locations along the alignment will consist of either existing groundwater spreading basins, new or existing injection wells, or industrial customers of Member Agencies in the Los Angeles and Long Beach Harbor areas. Metropolitan has divided the pipeline alignment into five segments for consideration of a phased construction approach.
- C. Additionally, some of the AWT Water may be delivered through an extension of the AWT Conveyance System to certain Metropolitan treatment plants for direct potable reuse (DPR) through raw water augmentation.
- D. West Basin is a proven leader in the development of recycled water, including advanced water treatment. In 1995, West Basin completed construction of the Edward C. Little Water Recycling Facility (ECL Facility) in El Segundo, California. Since operations began, West Basin has expanded the ECL Facility five times, and produces five (5) designer qualities of recycled water, including advanced water treatment for groundwater recharge in the West Coast Basin annually.
- E. West Basin is in the process of developing a Recycled Water Master Plan in coordination with its retail customer agencies, the Water Replenishment District of

Southern California (WRD), and Los Angeles Department of Water and Power (LADWP), that will define the path towards utilizing 70 MGD of secondary effluent from Hyperion Water Reclamation Plant (HWRP), evaluate available capacity within its existing system for water transfers to neighboring agencies, and identify potential opportunities for additional groundwater recharge, storage, and augmentation within the West Basin service area. Opportunities to interconnect future Metropolitan, West Basin, and other regional AWT systems may enhance groundwater recharge capability, improve supply reliability to local anchor customers, and reduce overall capital costs of future systems.

- F. In addition to expanding the use of recycled water, West Basin has approved implementation of a 20 MGD ocean water desalination facility (Project), conditioned upon West Basin's ability to secure all relevant permits, development of project cost estimates, development and approval of a financial evaluation and plan, completion of a cost and benefit analysis of implementing the Project, and development and approval of design and project delivery documents.
- G. Due to the size, complexity and anticipated capital investment required of Metropolitan's Program, the development of West Basin's Recycled Water Master Plan and potential related recycled water projects identified to expand the use of recycled water in the region, the recently approved implementation of a 20 MGD ocean water desalination Project, and any future projects developed within the West Basin service area, it will be beneficial for both organizations to coordinate and collaborate, as appropriate, during the developmental stages of each program and project. Such coordination and collaboration will ensure that both systems are planned, designed, constructed and operated in a manner consistent with the best interests of the customers of each organization and its constituents.

TERMS

1. INTENT AND COMPONENTS:

- A. It is the intent of the Parties to collaborate in the development and utilization of AWT supplies produced from their respective facilities, while minimizing areas of potential conflict or duplication of activities.
- B. Metropolitan and West Basin intend to develop a plan to coordinate the potential integration of Metropolitan's, West Basin's, and other AWT water recycling programs. To that end, the Parties intend to plan through a future MOU to:

- i. Collaborate to provide all information any regulatory agency may need related to approve the potential introduction of AWT Water into the West Coast Basin and integration of the Parties' respective programs and projects;
- ii. Identify and examine potential water quality issues and specifications related to the potential introduction of AWT Water into the West Coast Basin and integration of the Parties' respective programs and projects;
- iii. Provide for related research, testing, and other technical collaborations related to the potential introduction of AWT Water into the West Coast Basin and integration of the Parties' respective programs and projects;
- iv. Provide for collaboration on regulatory developments related to the potential introduction of AWT Water into the West Coast Basin and integration of the Parties' their respective programs and projects; and
- v. Develop additional areas for collaboration and support, as identified by the Parties.

C. The Parties intend to develop an MOU that will include conducting and preparing any additional studies necessary to evaluate the potential introduction of AWT Water into the West Coast Basin and integration of new facilities and AWT supplies with existing facilities, infrastructure, and existing AWT supplies and additional capacity of existing facilities and infrastructure. These studies may include the economic and technical feasibility, financing needs, right of way and permitting requirements, environmental and regulatory compliance obligations, brine discharge requirements, and engineering, construction, operational, and water quality specifications.

2. The provisions of this LOI represent a statement of the Parties' general intent only, and shall not be binding on either Party. Neither Party shall have any obligation to enter into the MOU, and no course of conduct of the Parties shall evidence any binding obligations. Each Party fully understands that the terms and conditions of the proposed MOU are subject to approval by the General Manager of West Basin, the West Basin Board of Directors, the General Manager of Metropolitan, and the Metropolitan Board of Directors; and that no Party shall have any legal obligations to the other unless and until all of the terms and conditions of the proposed MOU have been negotiated and agreed to by all Parties and set forth in the proposed MOU, which have been approved, and signed and delivered by all Parties.

3. NOTICES

Any noticed under this LOI must be in writing and addressed as follows:

The Metropolitan Water District of Southern California
Post Office Box 54153
Los Angeles, CA 90054-0153
Attn: John Bednarski, Group Manager, Engineering Services
With a courtesy copy by email to: jbednarski@mwdh2o.com

West Basin Municipal Water District
17140 South Avalon Blvd.
Carson, CA 907446
Attn: Patrick Sheilds, General Manager
With a courtesy copy by email to: Patricks@westbasin.org

A properly addressed notice will be effective on the day of delivery, if delivered directly by a Party or by a nationally recognized delivery service, or on the third day after mailing, if sent postage prepaid by U.S. Mail. The Parties shall transmit a courtesy copy of any notice to the other Party by email on the day the notice is sent.

Either Party may change the address listed in this section by providing five days' notice to the other Party.

4. COUNTERPARTS

This Agreement may be executed in counterparts, and signatures transmitted via facsimile or electronic mail shall be deemed to be originals.

**THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA**

Jeffrey Kightlinger

By: 
General Manager

Date: 5/13/2021

APPROVED AS TO FORM:

Marcia Scully

By: 
General Counsel

WEST BASIN MUNICIPAL WATER DISTRICT

Patrick Sheilds

By: 
General Manager

Date: 05/12/2021

APPROVED AS TO FORM & LEGALITY:

Steven O'Neill

By: 
General Counsel