



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

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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

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Focus of
Current
Negotiations

Development of Key Terms for Amendment

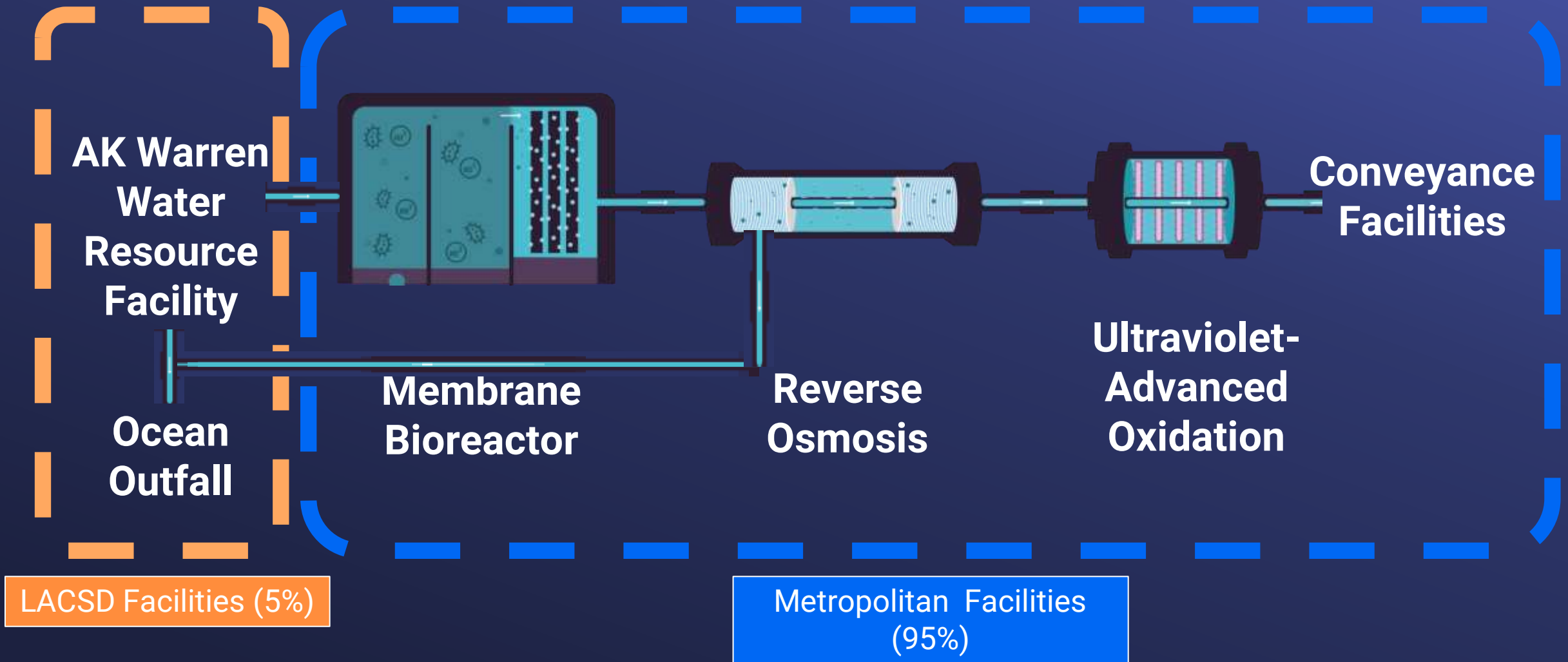
- Amending current agreement facilitates expediting receipt of, and use of grants
- Metropolitan and LACSD staff are currently negotiating agency responsibilities for the full-scale Program
- Potential shared responsibility for design, construction and operation of treatment facilities
- Focus of the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

Item 3c
Proposed
Scope of
Amendment
No. 2

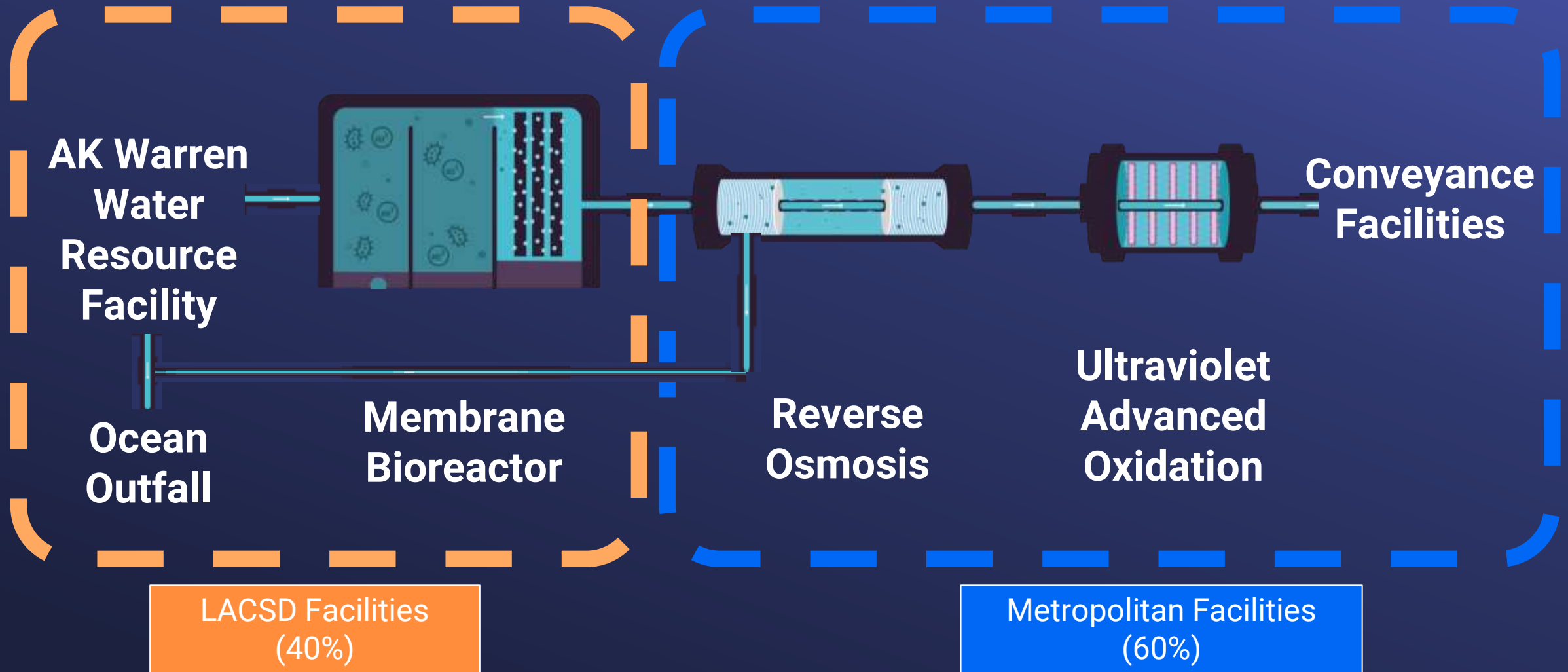
Shared Responsibilities for PWSC Treatment Processes

- 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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MWD/LACSD
Amendment
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

