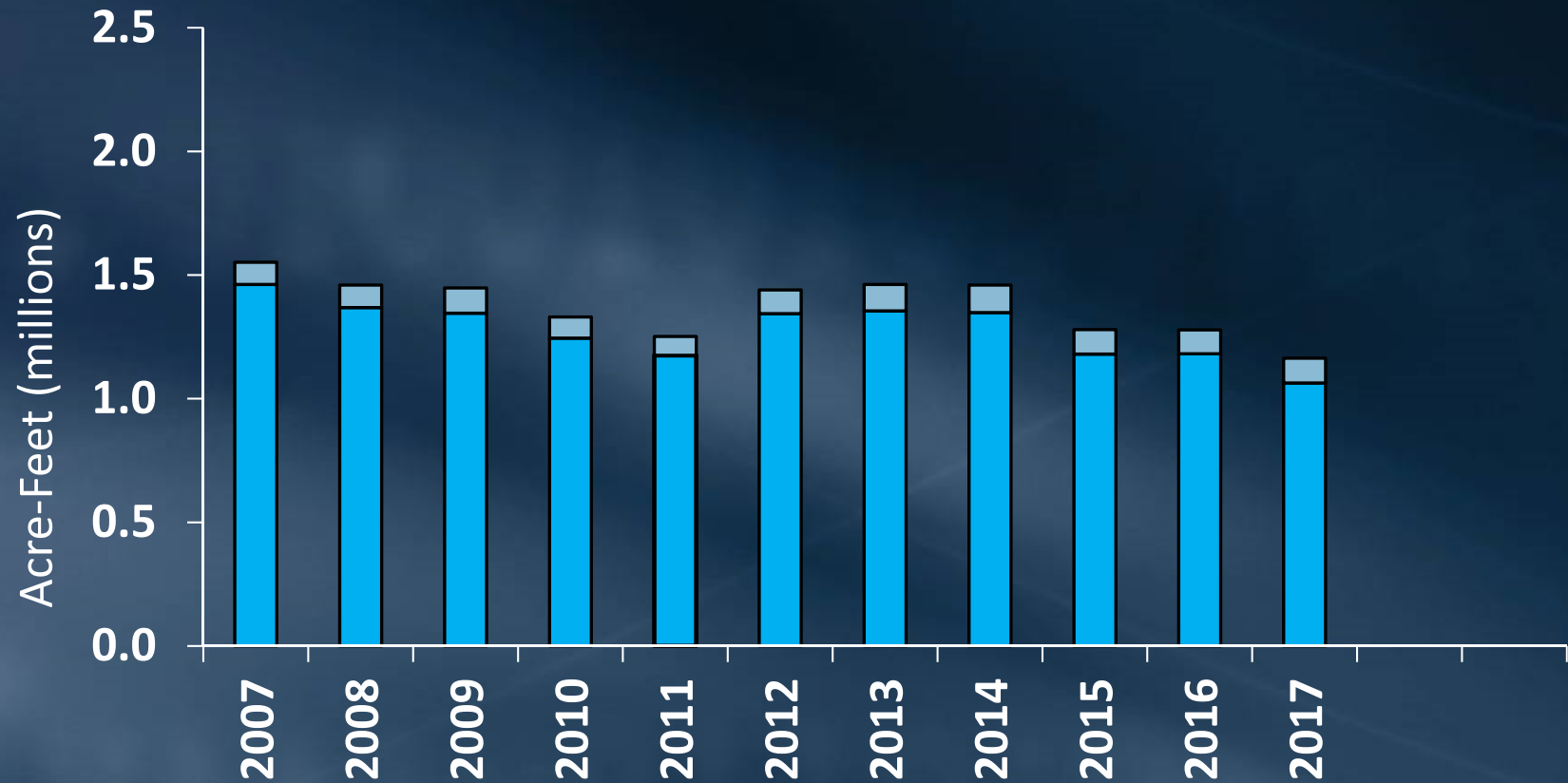




Discussion on Refinements to Local Resources Program

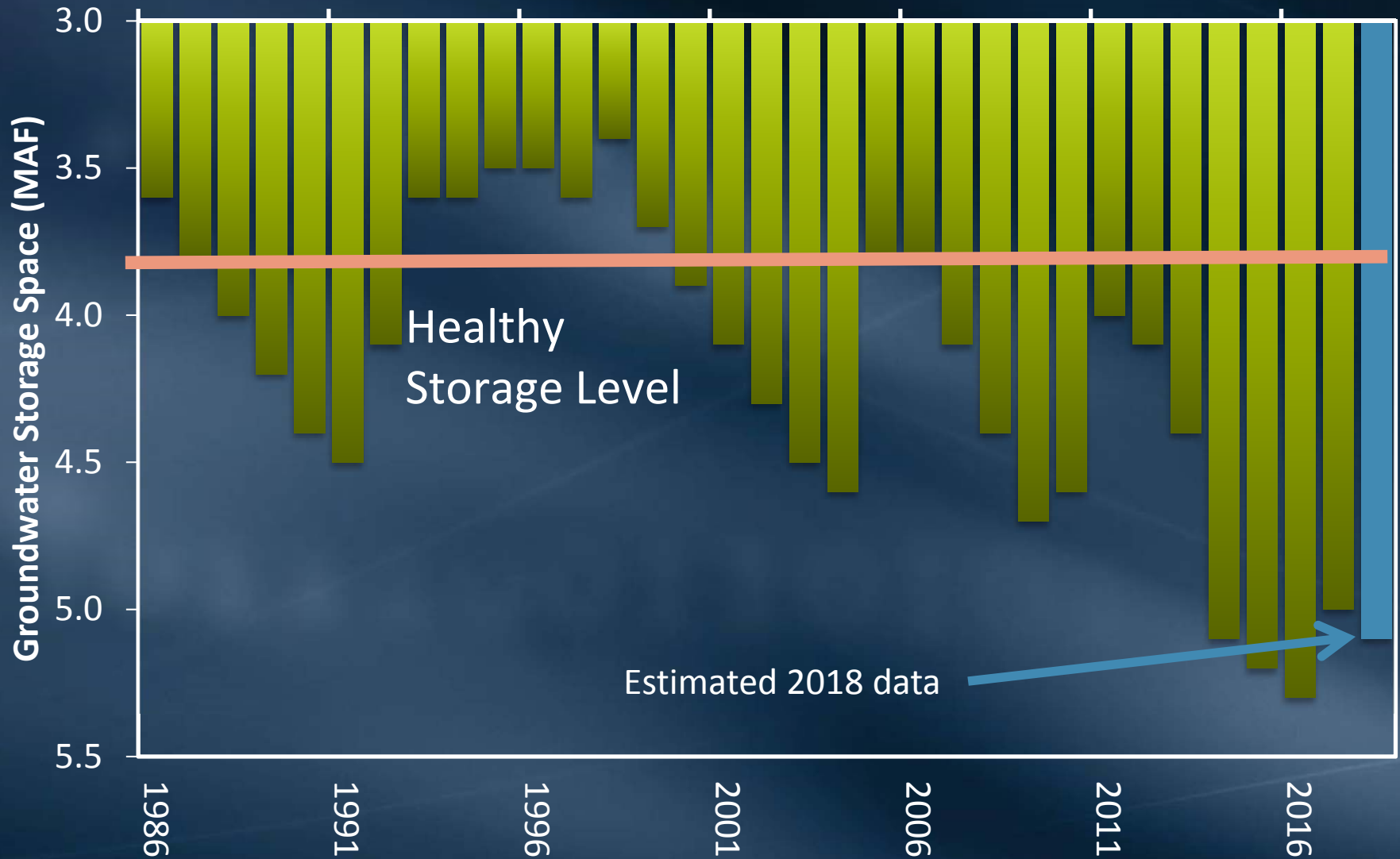
Conservation and Local Resources Committee
Item 4b
August 21, 2018

Local Supply Needed to Reach IRP Target

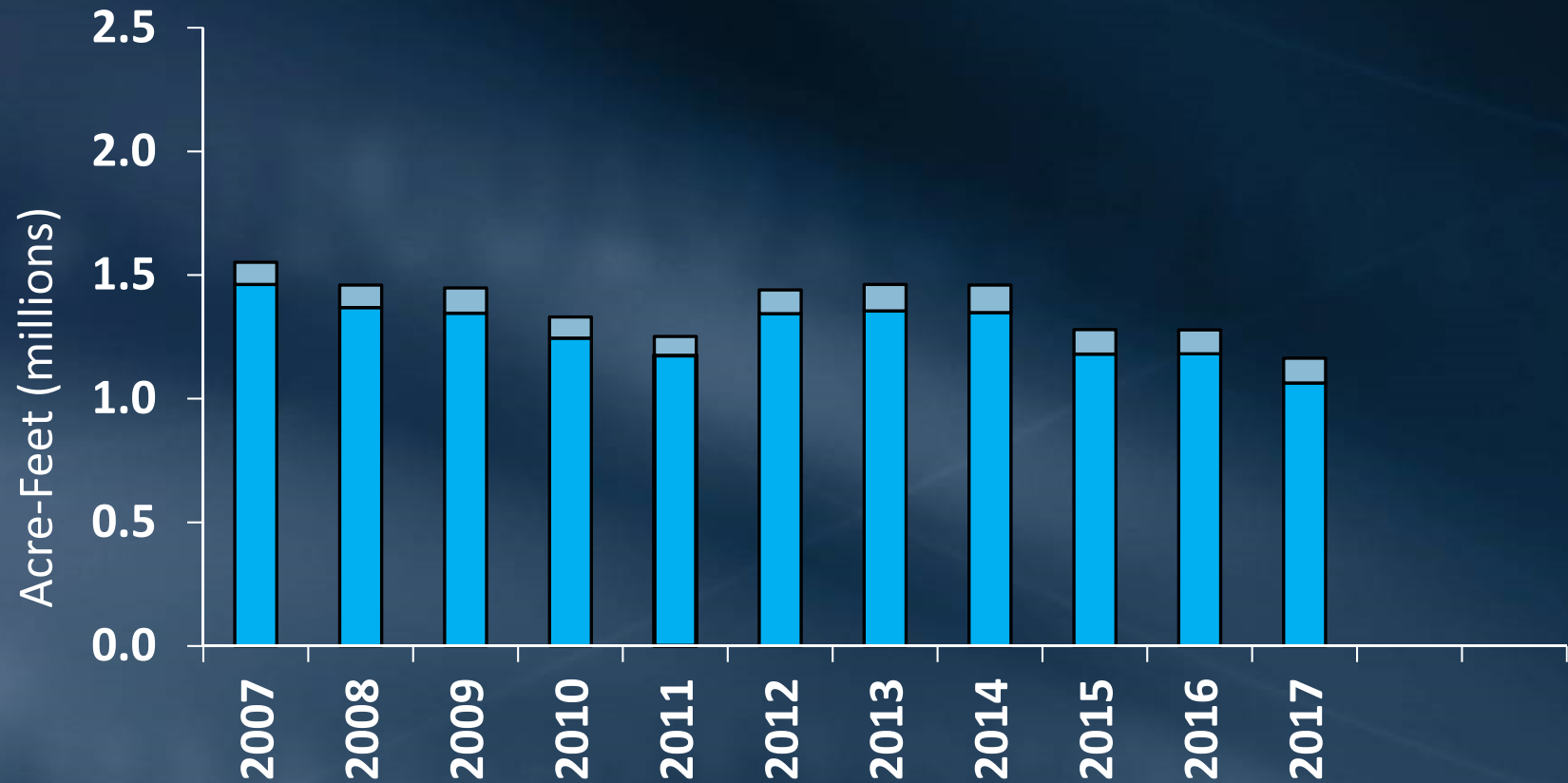


- Groundwater
- Groundwater Recovery
- Surface Reservoir
- Los Angeles Aqueduct
- Recycled Water
- Seawater Desalination

Groundwater Storage Declining

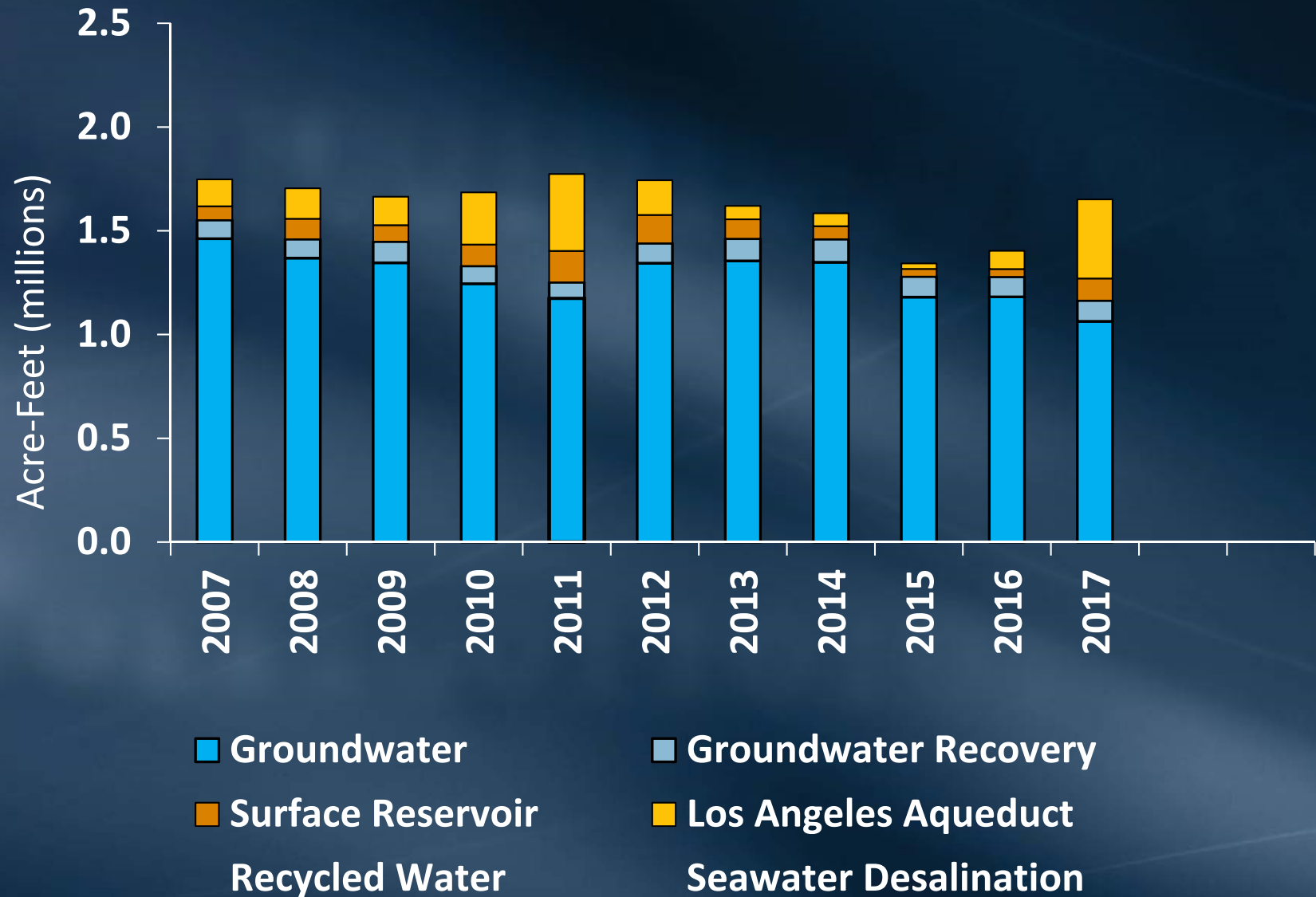


Local Supply Needed to Reach IRP Target

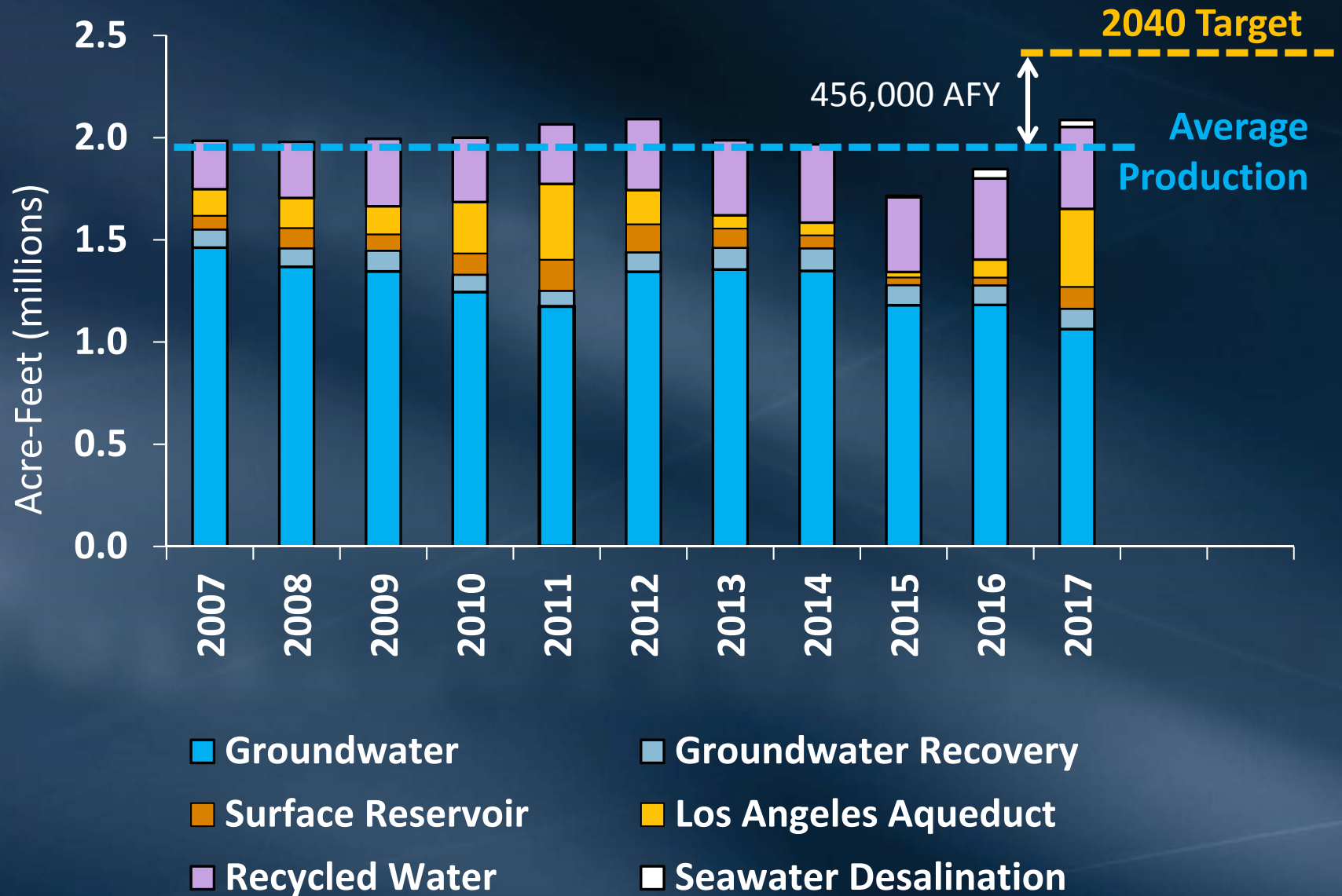


- Groundwater
- Groundwater Recovery
- Surface Reservoir
- Los Angeles Aqueduct
- Recycled Water
- Seawater Desalination

Local Supply Needed to Reach IRP Target



Local Supply Needed to Reach IRP Target



Potential Actions to Maintain and Increase Local Supplies

- Agency's proposed local projects
 - Some may be eligible for LRP funding
- Protect groundwater supplies
- Regional Recycled Water Program

Local Resources Program Background

Local Resources Program

- Provides incentives to develop local resources
- Helps to meet IRP goals
- Total incentives of \$629 M for 107 projects with production of 3.7 million AF
- LRP agreement terms
 - Up to 25 years
 - Pay for performance



Groundwater Recovery

Typical LRP Projects



Water Recycling

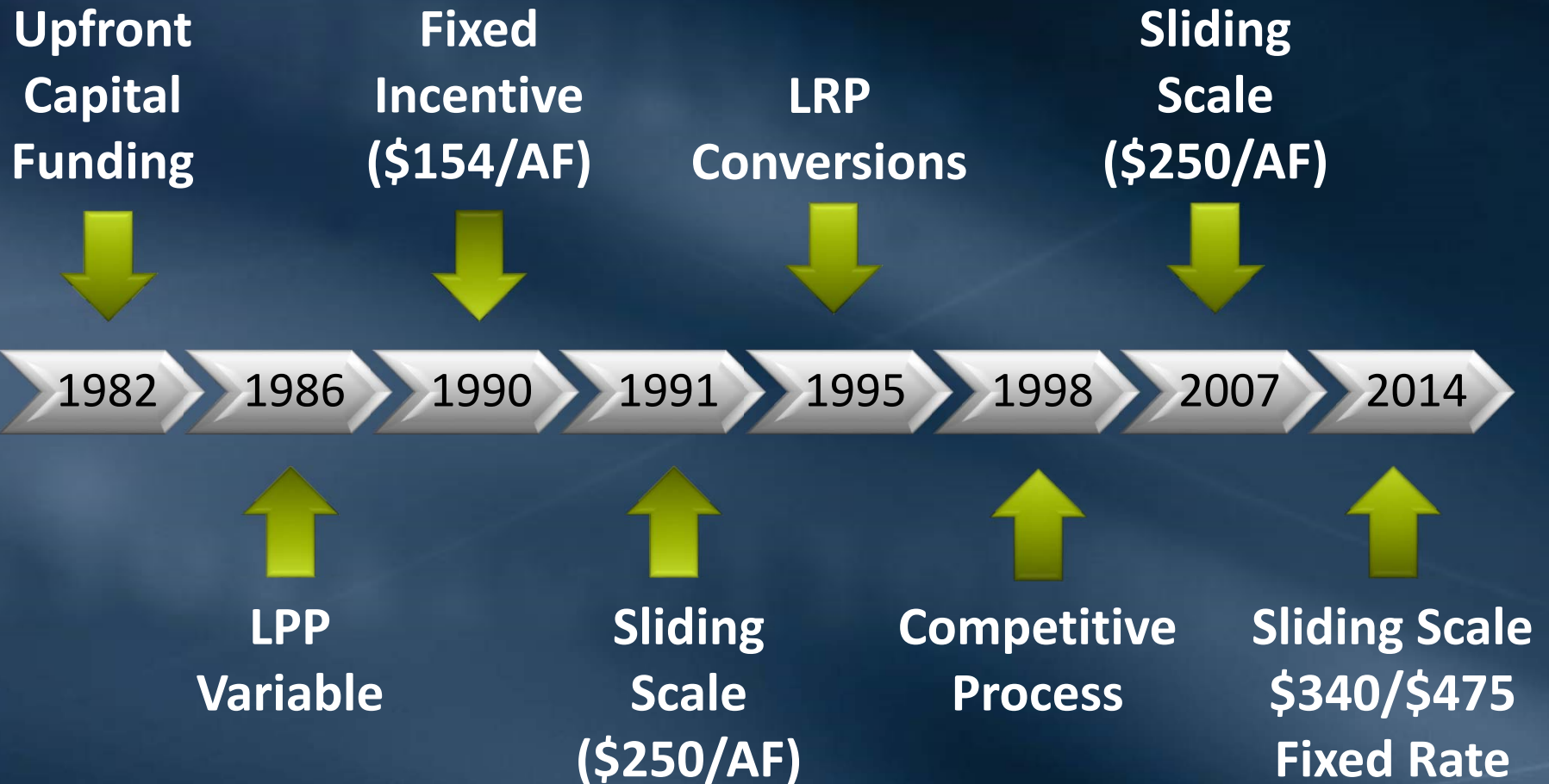


CLR Committee

Item 4b Slide 10

August, 21 2018

LRP Evolution Over Time



LRP Evolution Over Time

Upfront
Capital
Fund

Payment Structure Options	Maximum * Incentive Amount	Payment Period
1 – Sliding Scale	\$340/AF	25 years
2 – Sliding Scale **	\$475/AF	15 years
3 – Fixed Incentive Rate	\$305/AF	25 years
* Pay for performance		
** Project must produce for 25 years		

198

LPP
Variable

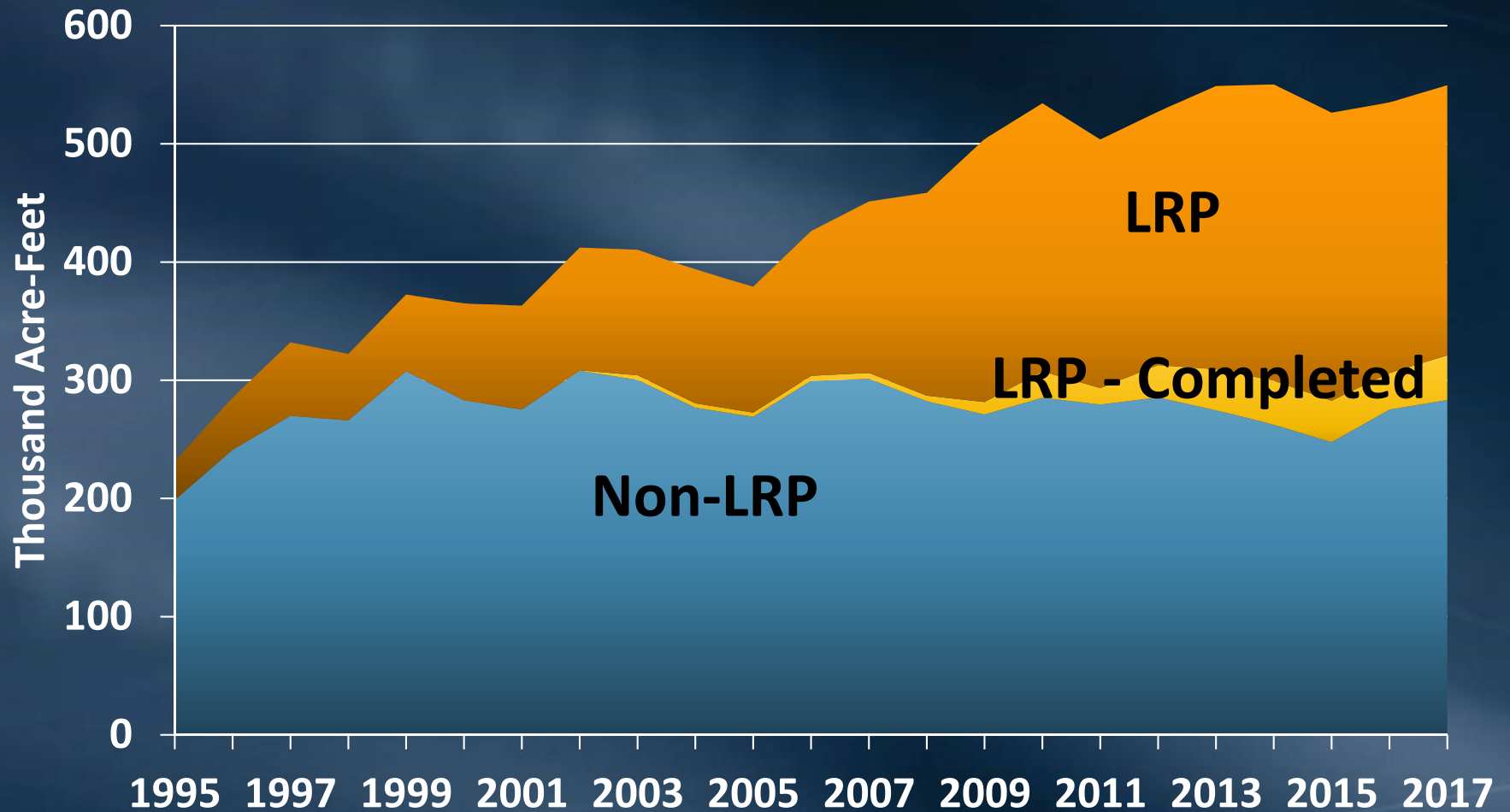
Sliding
Scale
(\$250/AF)

Competitive
Process

Sliding Scale
\$340/\$475
Fixed Rate

LRP Doubled Local Production

Groundwater Recovery and Recycled Water



Program Status

Last LRP Target was authorized by the Board in 2007

2007 LRP Target	174,000 AFY
Approved projects since 2007*	<u>106,000 AFY</u>
Current remaining balance	68,000 AFY

Agencies are considering additional local projects

Submitted applications**	105,000 AFY
Applications being prepared	30,000 AFY
Future projects identified	<u>35,000 AFY</u>
	170,000 AFY

* Adjusted for projects with rescinded/reduced capacity

** Reflects applications for projects that are not already operating

Program Status

Last LRP Target was authorized

2007 LRP Target

Approved projects since

Current remaining balance

Submitted projects in various stages of preparation. Some may be ready for Board consideration in the next year. Others are still working to get permits in place.

Agencies are considering additional local projects

Submitted applications**

105,000 AFY

Applications being prepared

30,000 AFY

Future projects identified

35,000 AFY

170,000 AFY

* Adjusted for projects with rescinded/reduced capacity

** Reflects applications for projects that are not already operating

Program Status

Last LRP Target was authorized by the Board in 2007

2007 LRP Target 174,000 AFY

Projects identified for future applications.
Lowest level of certainty.

106,000 AFY

68,000 AFY

Agency Submittals Regional local projects

Submitted applications** 105,000 AFY

Applications being prepared 30,000 AFY

Future projects identified 35,000 AFY

170,000 AFY

* Adjusted for projects with rescinded/reduced capacity

** Reflects applications for projects that are not already operating

Interim LRP Target Yield

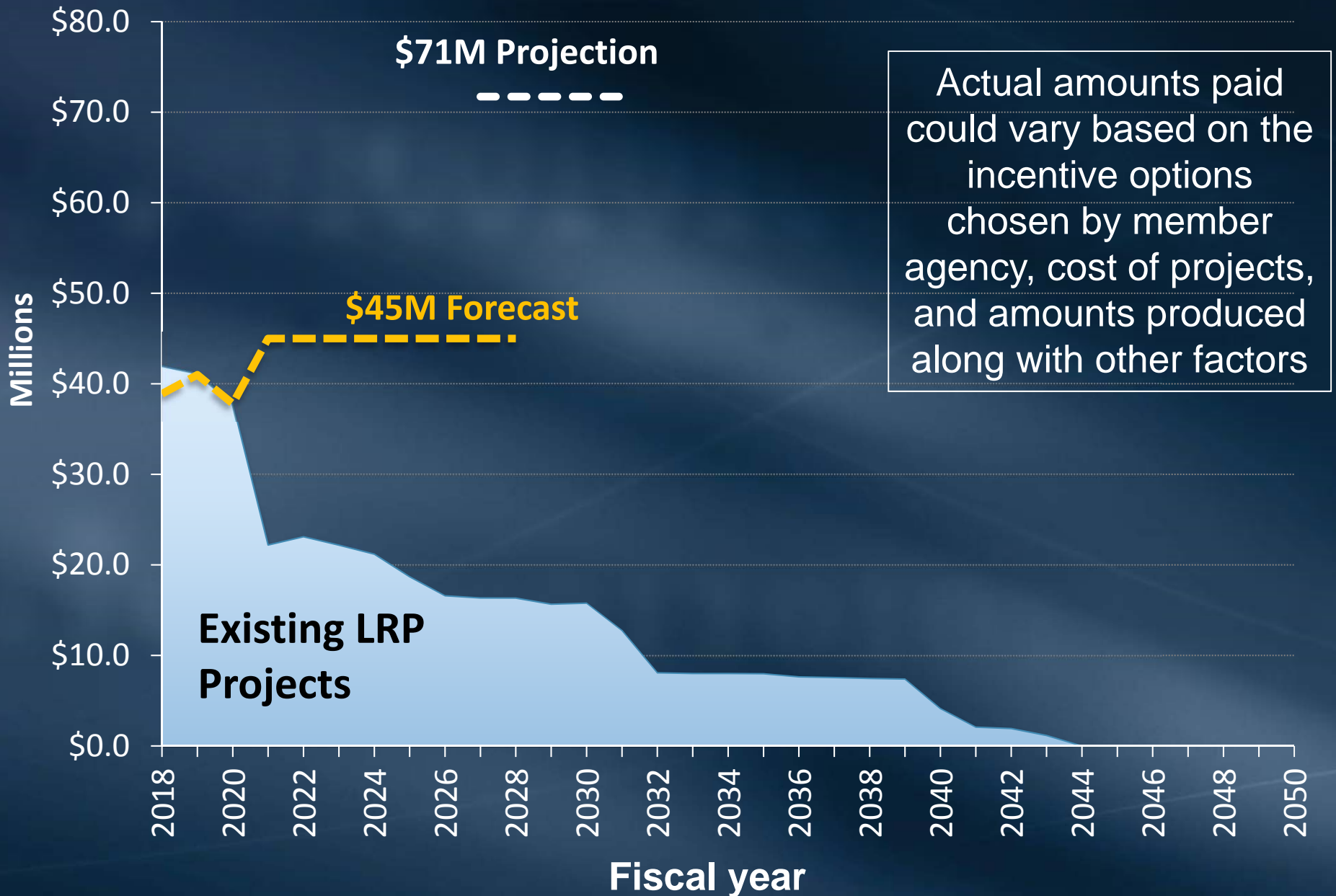
Observations

- Additional local supplies needed to reach IRP target in 2040
- Member agency projects in development to increase local supplies
- An interim LRP target signals a willingness to consider funding agreements for additional projects

Proposed Interim LRP Target

- An interim target of 150,000 AFY appears reasonable
 - Clear need for additional local supplies
 - Projects under development could move forward
 - Complementary to other actions
- Revisit and update the interim target through 2020 IRP Update

Estimated Fiscal Impact (150 TAFY)



Next Steps

- Establishing interim LRP target
 - Incorporate C&LR Committee feedback
 - Continue discussions with Member Agencies
 - WP&S Committee consideration in Fall 2018
- Next areas to address
 - Program criteria
 - Stormwater/other resources



Submitted LRP Applications (projects not yet producing)

Project Title	Sponsoring Agency	Submitted Yield (AFY)
La Puente Water Recycling	USGVMWD	60
CBMWD Recycled Water Expansion	CBMWD	500
Santa Margarita River Conjunctive Use	SDCWA	3,100
East County Advanced Water Purification	SDCWA	11,600
San Diego Pure Water Program - North City Phase 1	SDCWA	33,600
Huntington Beach Seawater Desalination	MWDOC	56,000
	TOTAL	104,860

Program Criteria

- Project must:
 - Be supported by a Metropolitan member agency
 - Replace demand on Metropolitan's imported water
 - Not be already under construction or producing water
 - Include construction of new treatment or distribution facilities
 - Comply with CEQA and/or NEPA
 - Have obtained all required permits
 - Have obtained approval from Metropolitan's Board