



The Metropolitan Water District of Southern California

Local Resources Program
Application Guidelines

INFORMATION FOR RESPONDENTS

The Metropolitan Water District of Southern California (Metropolitan) invites applications for development of water recycling and groundwater recovery projects under the Local Resources Program (LRP). This application package includes information regarding funding, eligibility and the application review process. Additional copies of the application package may be downloaded from Metropolitan's website at: www.mwdh2o.com. We look forward to working with all applicants to bolster our region's water supply reliability.

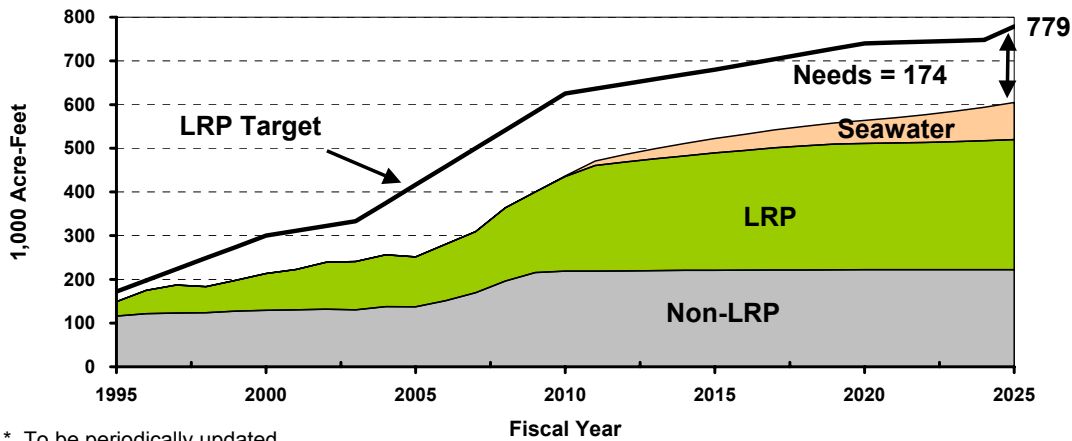
Objective

The LRP provides funding for the development of water recycling and groundwater recovery supplies that replace an existing demand or prevent a new demand on Metropolitan's imported water supplies either through:

- Direct replacement of potable water, or
• Increased regional groundwater production.

Metropolitan seeks development of 174,000 AFY of yield to meet a regional goal of 779,000 AFY by year 2025.

Current LRP Resource Needs \*



\* To be periodically updated

### **Application Submittals**

Project applications will be accepted on an open and continuous basis until the target yield of 174,000 acre-feet per year is fully subscribed. Mail applications to:

The Metropolitan Water District of Southern California  
P.O. Box 54153  
Los Angeles, California 90054-0153

Attention: Andy Hui  
LRP Application Submittal

Contact for questions:

Mr. Andy Hui, Manager  
Regional Supply Unit  
The Metropolitan Water District of Southern California  
P.O. Box 54153  
Los Angeles, California 90054-0153  
Telephone: (213) 217-6557  
Fax: (213) 217-6119  
E-mail: [ahui@mwdh2o.com](mailto:ahui@mwdh2o.com)

### **Who Can Apply**

The LRP is open to public and private water utilities within Metropolitan's service area. Applications must be made through the applicant's respective Metropolitan member agency. Applicants are strongly encouraged to initiate early coordination with Metropolitan regarding proposed projects. Submittal of a LRP application does not signify or guarantee funding approval by Metropolitan.

### **Program Funding**

Financial incentives between \$0 and \$250 per acre-foot produced over 25 year terms are recalculated annually based on eligible project costs incurred each year and Metropolitan's applicable water rates. Incentive commitments are contingent upon approval by Metropolitan's Board of Directors.

Prior to each fiscal year of operation, Metropolitan will set an estimated incentive rate payment for deliveries during the year. At the end of each fiscal year, Metropolitan will conduct a reconciliation to determine the actual incentive rate based on actual project costs and production data. At that time, over- or under-payment adjustments are made between Metropolitan and the project sponsor. The calculated incentive rate may diminish in future years as Metropolitan's water rates increase and each project's annual yield increases.

### **Targeted Projects**

New and expansion of existing water recycling and groundwater recovery projects are eligible for funding provided they include construction of new substantive treatment or distribution facilities. Existing projects or those that have commenced construction prior to application submittal are ineligible. Strong consideration will be given to projects that are well positioned for construction and timely production of stated project capacities in the near future. Projects with long ramp-up schedules may be addressed in phased agreements, executed when each phase is poised for timely construction and operation. Agreements may be deferred or cancelled for projects not positioned to produce water in the near future.

### **Process Overview**

Within four weeks after submittal of an application, Metropolitan will contact applicants if additional information is needed. Metropolitan will meet with applicants to ensure a complete understanding of the proposed project's objectives and benefits. After completion of project review and assessment,

agreement terms negotiations, and environmental documentation, the proposed project would be forwarded to Metropolitan’s Board of Directors for funding consideration.

Metropolitan, at its sole discretion, may reject any and all applications and revise the terms of the LRP at any time.

**Performance Provisions**

Performance provisions will be included in all agreements to encourage timely and responsive project development and production. These provisions reduce or withdraw Metropolitan’s financial commitment to projects that do not meet development and production milestones outlined in the following table.

<b>Milestone</b>	<b>Timeline (full fiscal year)</b>	<b>Consequence if target is not achieved</b>
Start construction	2 years after agreement execution	Terminate agreement*
Start operation	5 years after agreement execution	Terminate agreement*
50 percent of contract yield	4-7 years after agreement execution	Reduce ultimate yield by shortfall to meet target using the highest annual yield in the 4-year timeline period
75 percent of contract yield**	8-11 years after agreement execution	Same as above
75 percent of contract yield**	12-15 years and every four years thereafter	Same as above

\* Applicants may appeal termination to Metropolitan’s Board of Directors.

\*\* Ultimate yield or revised ultimate yield specified in the incentive contract due to project’s performance in previous years (if applicable)

**Application Options**

A written application outlined in the following pages must be submitted to Metropolitan to start the process. Metropolitan will accept applications/reports developed by the project sponsor for other purposes (e.g., applications for state funding programs, US Bureau of Reclamation feasibility report submittals, etc.) as long as they provide needed information. All applications must include an executive summary that identifies the location of the needed information. Failure to provide an executive summary may extend the review process. After an initial review, Metropolitan will meet with each applicant to ensure an accurate understanding of project features and LRP terms.

# Local Resources Program Application Guidelines

Applicants are requested to provide an application package with the following information, which will be used to review project eligibility for LRP funding. Each project application is unique and therefore may require more information.

## 1) Project Overview

- Location
- Source of supply and yield
- Participating agencies and contractual commitments
- Complete Attachment A

## 2) Project Features

- Treatment process and quality objectives
- Storage features
- List and map distinguishing existing from proposed facilities, land acquisition, etc.
- Interties to existing LRP agreements
- Interties and points of connection to other non-project facilities
- Methodology to measure project yield, e.g. metering, basin adjudication or watermaster rules if applicable

### Additional information for groundwater projects:

- Basin hydrology and setting
- Existing groundwater production and increase as a result of project
- Imported water replenishment requirements
- Previously abandoned production and/or replenishment
- Basin adjudication or operating rules
- Ability to sustain project production during 3-year period without receiving Metropolitan's replenishment
- Compliance with sound basin management

## 3) Project Cost

- Capital
- Operation and Maintenance
- Labor
- Complete Attachment B

## 4) Benefits

- Regional and local water supply reliability benefits
- Peaking and seasonal variability
- Local water supply benefits
- Other benefits (environmental, water quality, energy, wastewater, avoided facilities and permits, etc.)

## 5) Environmental Documentation and Permitting

- California Environmental Quality Act
- Regulatory approvals and permits secured
- Schedule for unsecured approvals and permits
- Water Reclamation Requirements established by Regional Water Quality Control Board
- Department of Health Services drinking water requirements

## **6) User Identification**

### Recycled Water Projects:

Existing recycled water user names, demand and type of use  
Proposed user names, demand projections and type of usage including groundwater recharge  
Location map of existing and proposed users  
Deliveries outside of service area or non-project users  
Mandatory use ordinances  
Commitment letters  
Growth expectations

### Groundwater Projects:

Describe how implementation of the project will increase historical groundwater production  
Describe how and where project water is used

## **7) Implementation Schedule and Financing**

Governing board approvals  
Status of design  
Construction and operation timelines and milestones  
Yield development (amount by year), type of use, and completion date for each phase  
Implementation obstacles/challenges  
Land acquisition  
Financing sources and terms  
Grants and third-party payments

**ATTACHMENT A  
LOCAL PROJECTS PROGRAM  
PROJECT FACT SHEET**

<b>1.</b>	<b>Project Name:</b>									
<b>2.</b>	<b>Project Location (City, County):</b>									
<b>3.</b>	<b>Project Owner (Applicant) Contact Information:</b>									
<b>4.</b>	<b>Metropolitan Member Agency:</b>									
<b>5.</b>	<b>Source of Project Water:</b>									
<b>6.</b>	<b>Type of Uses:</b>									
<b>7.</b>	<b>Estimated First Year of Operation:</b>									
<b>8.</b>	<b>Ultimate Annual Project Yield (AFY):</b>									
<p><b>9. Other agencies / Entities participating in the project:</b></p> <table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: center; width: 50%;"><u>Agency / Entity</u></th> <th style="text-align: center; width: 50%;"><u>Role</u></th> </tr> </thead> <tbody> <tr> <td>a. _____</td> <td>a. _____</td> </tr> <tr> <td>b. _____</td> <td>b. _____</td> </tr> <tr> <td>c. _____</td> <td>c. _____</td> </tr> </tbody> </table>			<u>Agency / Entity</u>	<u>Role</u>	a. _____	a. _____	b. _____	b. _____	c. _____	c. _____
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a. _____	a. _____									
b. _____	b. _____									
c. _____	c. _____									
<p><b>10. Status of CEQA Documentation:</b></p> <p> <input type="checkbox"/> Exempt Declaration                    <input type="checkbox"/> Negative       </p> <p> <input type="checkbox"/> Mitigated Negative Declaration                    <input type="checkbox"/> EIR/S       </p> <p>Status: _____</p>										

