



**Board Planning Committee  
July 11, 2019**

**SUBJECT:**

Recycled Water System Expansion Local Resources Program (LRP) Reporting Reconciliation

**BACKGROUND:**

The Metropolitan Water District of Southern California (MWD) established the Local Resources Program (LRP) to incentivize development of local water supply by member agencies. The LRP program provides a subsidy per acre-foot (AF) of water produced subject to terms and conditions established as part of project-specific LRP agreements.

Since 1995, EMWD has entered into several LRP agreements with MWD to develop local water supply projects including expansion of the recycled water system and groundwater desalination. In 2012, EMWD executed the Recycled Water System Expansion LRP agreement to further increase the use of recycled water within its service area.

The terms of the agreement included a maximum yield of an additional 5,000 AF per year at a subsidy of up to \$250 per AF. In order to account for existing recycled water sales, a baseline yield of 28,000 AF per year was established. Per the LRP agreement, recycled water sales exceeding the baseline threshold is eligible for subsidy.

Since 2012, EMWD has consistently expanded its recycled water system and exceeded the baseline threshold in terms of recycled water sales. An additional 272 landscape recycled water meters have been installed since the Recycled Water System Expansion LRP initiation.

During the 2018/19 reporting period, significant wet weather impacted irrigation practices and associated recycled water sales. Tabulation of recycled water sales for the reporting period, including June 2019, is currently underway. Although it is yet uncertain whether the recycled water baseline threshold was met, additional service connections were realized and the objectives of the LRP program achieved.

Given that climate variation may impact recycled water usage during a particular reporting period, EMWD has requested an amendment to the Recycled Water System Expansion LRP agreement to utilize a 5-year rolling average to report and reconcile baseline recycled water usage.

The attached presentation provides an overview of the Recycled Water System Expansion LRP agreement, recycled water usage performance, and requested amendment for LRP reporting and reconciliation.

**FINANCIAL IMPACT:**

Recycled Water System Expansion LRP Agreement provides subsidy up to \$250 per acre-foot for recycled water sales exceeding baseline usage.

**STRATEGIC PLANNING GOAL/OBJECTIVE:**

Water Recycling: Implement on-going treatment, storage and distribution system projects and programs to allow 100 percent utilization of treated effluent for the highest beneficial and sustainable uses possible.

**ENVIRONMENTAL IMPACT:**

None

**RECOMMENDATION:**

This item is informational only.

**SUBMITTED BY:**

  
Paul D. Jones II, P.E., General Manager

7/8/2019

  
Joe Mouawad, Assistant General Manager

7/2/2019

**Attachment(s):**

*Presentation*

07/24/19 Board Meeting

Staff Contact: Joe Mouawad