



The Metropolitan Water District
of Southern California

LRP Coordinator Meeting

June 16, 2015

Welcome

Agenda

- Purpose and Introduction
- Local Resources Program status update
- On-site Retrofit Program status update
- 2015 IRP - recycled water issue paper
- Topics for next meeting
- Adjourn

Purpose and Introduction

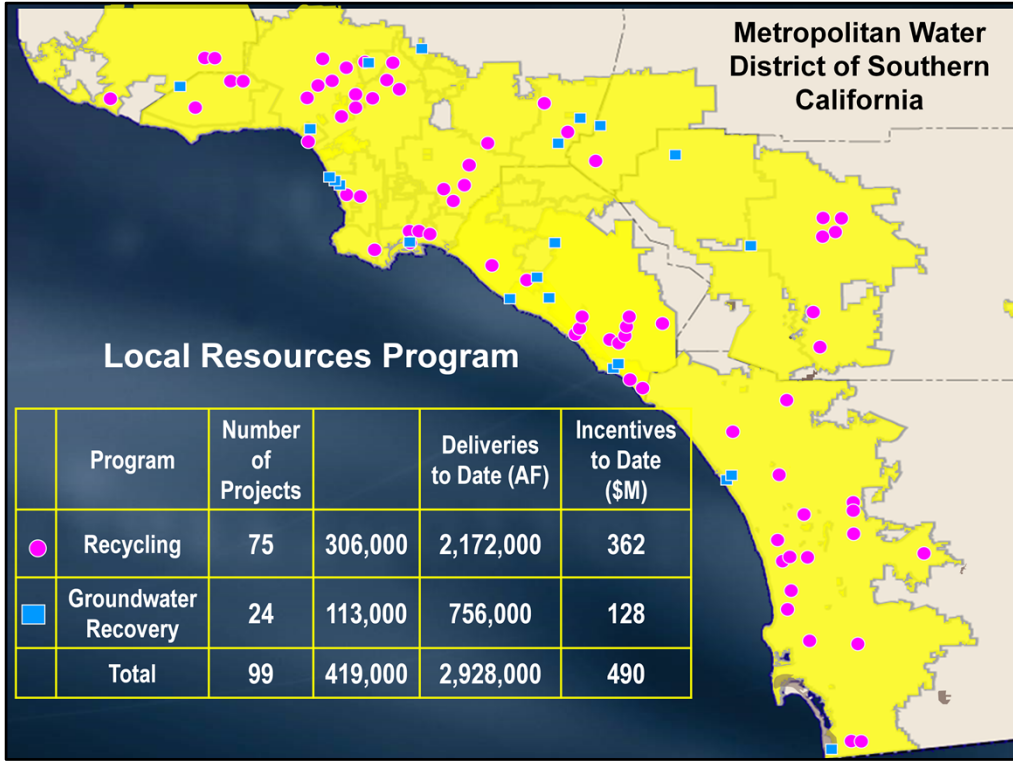
- Purpose
 - Semi-annual LRP coordinator meeting
 - Provide information on LRP and ORP
- Introductions
 - Attendees at the meeting
 - Attendees via webinar

**Local Resources Program (LRP)
Status Update**

LRP Background

- LRP provides incentives for new local projects
 - 1982 - recycled water
 - 1991 - groundwater recovery
 - 2014 – seawater desalination
- Need to accelerate project production
 - Meet IRP and 20x2020 goals
 - Current drought conditions





Alternative Incentive Payment Structure Options

Payment Structure Alternatives	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

- Program criteria and performance provisions apply
- Agency would pick one option at the time of application
- Application is online at www.mwdh2o.com

Current Program Status

2014 LRP target	63,000 AFY
3 project applications	<u>8,500 AFY</u>
Remaining target	55,000 AFY

Observation

- More than 100,000 AFY identified
- MWD increased LRP incentive rate
- Only 8,500 AFY applied
- What are the issues?

**On-site Retrofit Pilot Program (ORP)
Status Update**

Background

Provide incentives to convert customer's potable water systems to recycled water

Commercial

Industrial

Institutional

Pilot program

Applications online from July 2014 to June 2016

Property owners on a first come first served basis

Administered through the regional conservation vendor

\$8.2 Million including USBR grant

Grant Match

First come first served

Incentive up to \$975/AF x average annual water use

Water use estimate based on three year prior potable use

Not to exceed actual on-site retrofit costs

One time payment upon connection to recycled water

Program Requirements



Must offset a demand on Metropolitan's potable water system



All permitting must be complete at the time of application*

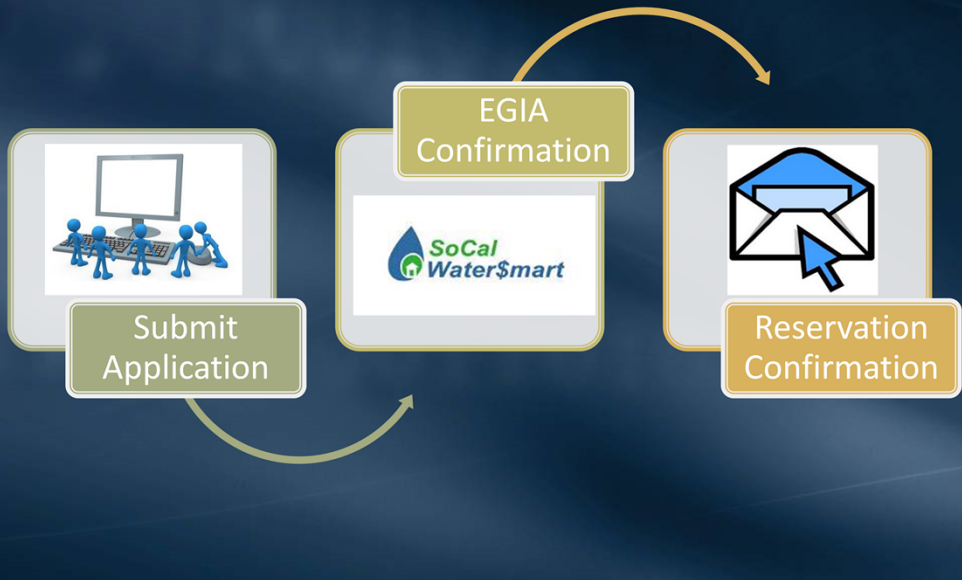


Recycled water must be available at the project site for use

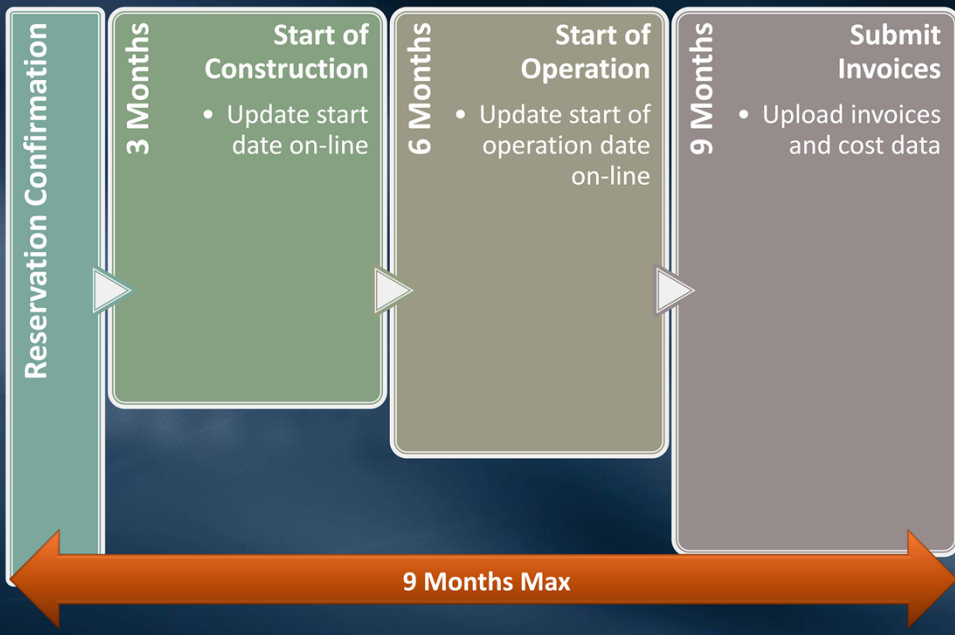


Sites under construction are ineligible

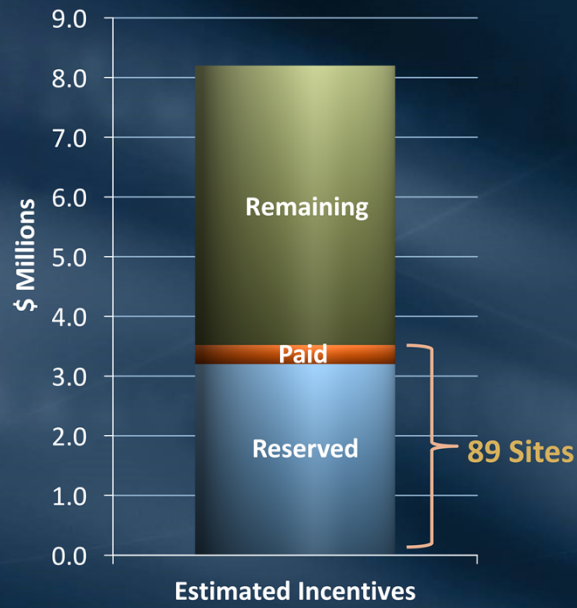
Application Process



Program Timeline

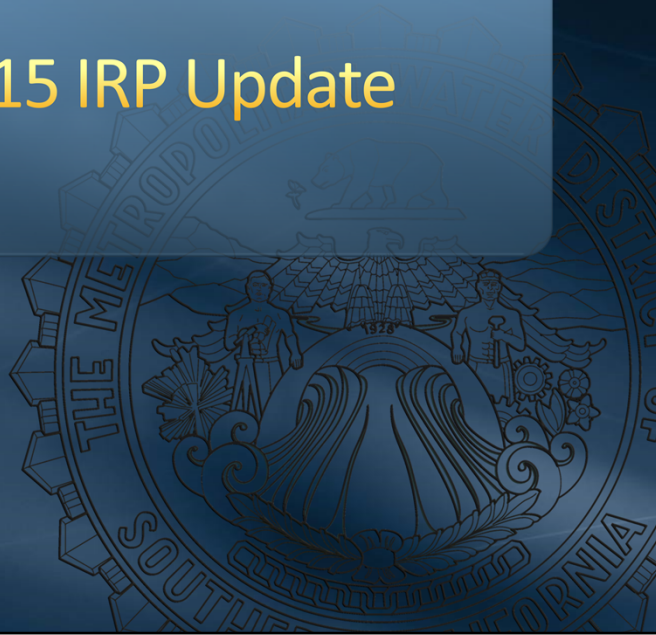


Program Status



Estimated Incentives	Parks	\$238,005.45
	Schools	\$65,996.21
	Golf Course	\$504,172.50
	HOA	\$129,974.74
	Other	\$3,217.50

2015 IRP Update



2015 IRP Update Process

- The IRP Update is split into a two-part process
- Technical update
 - Metropolitan staff and member agencies
- Resource policy issues discussion
 - Board process
- Both efforts will have extensive interaction with the Board through the IRP Committee

IRP Technical Update Goals

- Review and update IRP resource targets
- Assess strategy for managing short and long term uncertainty
 - Core Resources Strategy
 - Supply Buffer
 - Foundational Actions
- Review IRP resource issue papers
- Communicate technical findings and identify policy needs for Board policy discussions

IRP Technical Update Draft Schedule





Issue Paper Input and Discussion

Recycled Water

2015 IRP Update

Local Water Resources Issue Paper Addendum

Purpose

To help inform future water resource decisions by identifying current and potential issues, opportunities, and actions

Overall Deliverable

A concise local resources issue paper addendum (that includes all resource areas)

Metropolitan Issue Paper Contacts

Conservation • Bill McDonnell

Groundwater • Kathy Kunysz

Recycled Water • Ray Mokhtari

Seawater Desal • Warren Teitz

Stormwater • Matt Hacker

Graywater • David Sumi

Synergy • Matt Hacker

Opportunities For Input

- Guided discussion to follow
- Coordinate with your Member Agency planning staff and managers
 - IRP Member Agency Technical Workgroup Meetings on local resources
 - June 24th
 - July 8th

Issue Paper Input Categories



Recycled Water Use



NPR
Irrigation
Industrial
Commercial
Institutional
Indoor
Groundwater recharge



IPR
Groundwater
Seawater Barrier
Surface reservoir



DPR

Issue: What's in the way of doing more?

Observation

- More than 100,000 AFY identified
- MWD increased LRP incentive rate
- Only 8,500 AFY applied

Q: What are the barriers?



Challenges/Barriers

Non-Potable Reuse (NPR)

- We hear that new projects cost more; is the cost a barrier or lack of capital to build?
 - LRP and Prop. 1 are available
 - Are all low-hanging fruits gone?
 - Why are low cost projects not being built?
 - Can satellite plants help reduce costs?



Challenges/Barriers

Non-Potable Reuse (NPR)

- How can research and technological advancement help?
 - Are they needed for NPR?
 - What type of research, pilot projects, etc.
 - Do you have excess recycled water? Do you need more recycled water? How can GIS help?



Challenges/Barriers

Non-Potable Reuse (NPR)

- After thirty years of public education and outreach, is public perception still a barrier?
 - Does your agency have educational brochures and materials?
 - How can uniform messaging help us all?



Challenges/Barriers

Non-Potable Reuse (NPR)

- What are specific issues related to hooking up customers, on-site retrofit
 - Availability
 - Water quality
 - Cost to customer
 - Permitting



Challenges/Barriers

Non-Potable Reuse (NPR)

- Does salt and nutrient management compliance impact recycled water development?
 - Is there a case that a project was on hold because of this?
 - How do you manage the brine, if any?
 - What are other options beside treatment?
 - Who pays for it? Are there partnership opportunities?



Challenges/Barriers

Non-Potable Reuse (NPR)

- What are examples of institutional barriers?
- What are examples of political barriers?
 - Does partnership with other agencies help?
 - How can we overcome political barriers?



Challenges/Barriers

Non-Potable Reuse (NPR)

- What are the permitting issues?
 - What are the issues with implementing the existing regulations?
 - What are the inconsistencies in obtaining permits for similar projects?
 - How can the permitting process for agency and customers (on-site retrofit) be expedited?



Challenges/Barriers

Non-Potable Reuse (NPR)

- What are the impacts of CEQA on project development?
- What are the impacts of CEQA on obtaining grants and State Revolving Fund loans?



Challenges/Barriers

Indirect Potable Reuse (IPR)

- Type of IPR
 - Groundwater recharge
 - Seawater barriers
 - Surface reservoir augmentation
- What are additional challenges for IPR?
 - Blending requirements?
 - Treatment requirements?
 - Groundwater basin management?
 - Surface reservoir residence time?
 - Spreading grounds
-



Challenges/Barriers

Direct Potable Reuse (DPR)

- What are additional challenges for DPR?
 - Regulations and Permitting?
 - Public perception?
 - Public health (real-time monitoring)?
 - Water quality and source water protection?



Opportunities

NPR

IPR

DPR

- How to overcome the barriers?
- What measures could help?
- What are the opportunities and timing?



Lessons Learned

NPR

IPR

DPR

- Public perception?
- Legislation/regulations?
- Funding?
- Partnerships?
- Other?

Thank you!



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