











Agenda

-  **Recap of the Local Resources Discussion Series**
-  **IRP vs.  Local Resources and LRP**
-  **October MET Board Action**
 -  Near-Term LRP Policy Issues

Establishing an interim LRP target
-  **Ongoing MET Board Discussion**
 -  Long-Term Local Resources Policy Issues

- Project Evaluation
- Program Modifications



Regional Benefits of Local Resources Development

- Improves regional supply reliability
- Reduces demands for imported water supplies
- Decreases the burden on Metropolitan's infrastructure and reduces system costs
- Frees up conveyance capacity to the benefit of all system users
- Helps to meet "20 by 2020" water use efficiency targets
- **Helps to meet IRP goals**
- Helps to meet legislative requirements



IRP vs. Local Resources and LRP



Integrated Resources Plan (IRP)

- Ensure that total local supply production of 2.43 MAF is reached by 2040
- Recognize risks and potentially develop additional supplies
- Dual sided demand management – Conservation and Supply development



Local Resources

- Helps meet IRP goals
- Replaces demand on MET's imported system through new local supply development
- **The LRP is a tool to incentivize local production**
- Current target of 174 TAF with 68 TAF remaining
- Annual budget of \$45 M

Near-Term LRP Policy Discussion



6 The implementation of an interim LRP target

- 6 Message sent from increasing the target
- 6 Status with respect to timing of the LRP applications currently in the queue
- 6 How will an interim target affect the LRP budget



Current LRP Target and Potential Interim Adjustment



Submitted LRP Applications

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
Carlsbad Seawater Desalination		
-Carlsbad MWD portion of Carlsbad Seawater Desal.	SDCWA	56,000
-Vallecitos WD portion of Carlsbad Seawater Desal.		
Huntington Beach Seawater Desalination	MWDOC	56,000
	TOTAL	160,860

170 TAF



MET Board Adopted IRP Policy Principles (July 2017)



1. Metropolitan should take an **active role in identifying and evaluating** local resource and conservation opportunities within its service area
2. Metropolitan should have **multiple approaches and avenues available** for developing and implementing local resources and conservation in cooperation with local agencies and entities
3. Metropolitan should **evaluate the feasibility and effectiveness of direct investment** and development of **regionally beneficial** local resources and conservation where appropriate
4. Metropolitan should include the consideration of sustaining and/or **recovering production from existing projects** and programs in its approaches to developing local resources and conservation



MET Board Adopted IRP Policy Principles (July 2017)



5. Evaluations of regional investments in local resources and conservation should, at a minimum, **include consideration of:**
 - a. Type and source of water supply
 - b. Measurable water supply yield or demand reduction
 - c. Impacts, positive or negative, to Metropolitan system redundancy or emergency risk
 - d. Impacts, positive or negative, to existing Metropolitan system investments and developed system capacity
 - e. Total cost elements
 - f. Metropolitan financial exposure and revenue recovery



MET Board Adopted IRP Policy Principles (July 2017)





5. Metropolitan's **operational and administrative policies** should not adversely impact regional efforts to develop local resources and conservation
6. State and federal **mandates should be a consideration** but not be a bar to Metropolitan's participation in local resource and conservation development provided that the effect of the mandate is consistent with regional IRP targets

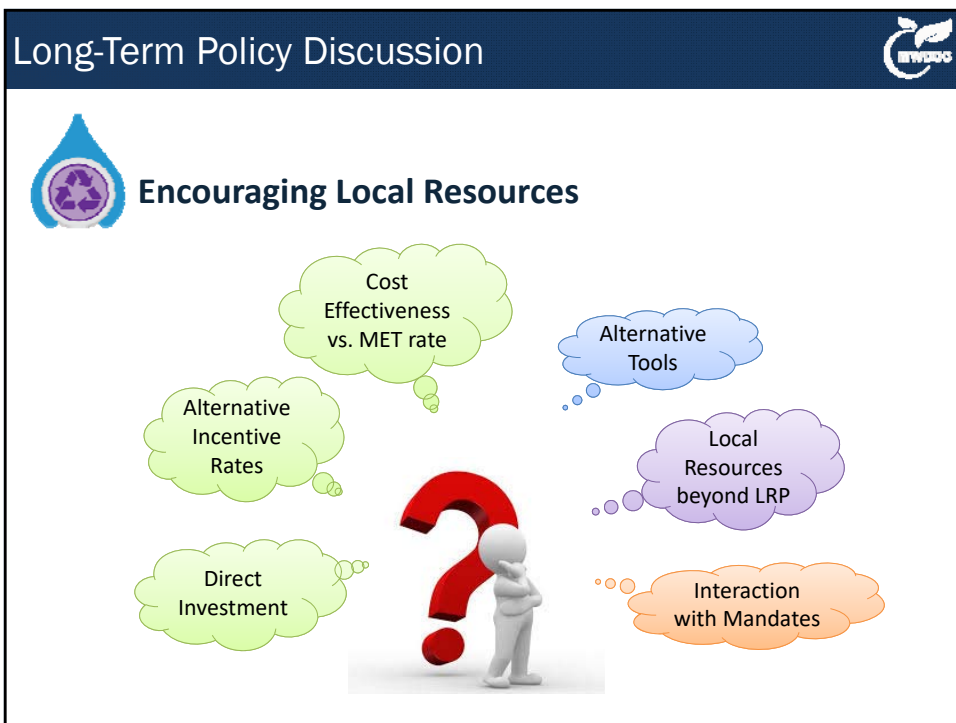
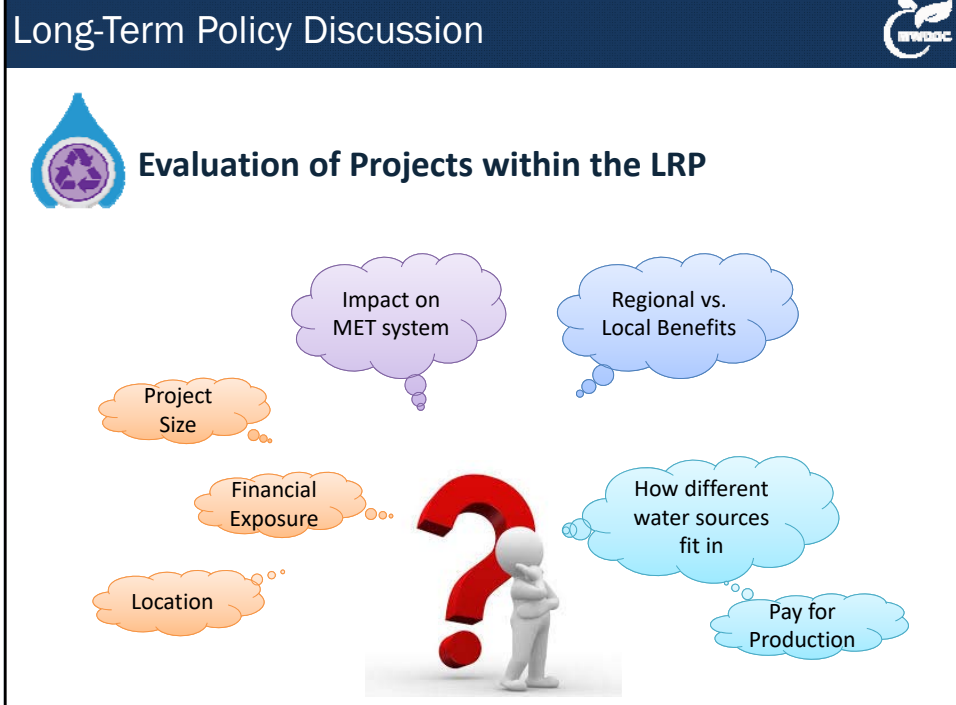


Local Resources Long-Term Policy Discussion



-  **How do future local resources fit into the Local Resources Program (LRP)?**
-  **How should Metropolitan refine its role in the overall development of local resources?**





Next Steps



October 2018

- 🔹 MET Board will take action to establish an interim LRP target



Early 2019

- 🔹 Additional Local Resources Program refinement recommendations to the MET Board



Mid/Late 2019

- 🔹 2020 IRP update will commence

