

**LETTER OF INTENT TO COLLABORATE ON THE DEVELOPMENT OF A FUTURE  
MEMORANDUM OF UNDERSTANDING RELATED TO ADVANCED TREATED WATER DELIVERY SYSTEMS  
BETWEEN THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AND  
CITY OF LOS ANGELES, THROUGH THE LOS ANGELES DEPARTMENT OF WATER AND POWER**

This LETTER OF INTENT (LOI) is made by and between THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (Metropolitan) and CITY OF LOS ANGELES (City), by and through THE LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP), who may be referred to individually as “Party” or collectively as “Parties.”

**BACKGROUND**

- A. Metropolitan and County Sanitation No. 2 of Los Angeles County (Sanitation District) are working together to develop a Regional Recycled Water Program (Program). The objective of the Program is to produce up to 150 million gallons per day (MGD) of advanced treated water from a new advanced water treatment (AWT) facility located at the Sanitation District’s Joint Water Pollution Control Plant in Carson, California (Metropolitan AWT Facility). The Program’s development may be phased, starting at lower levels of production with the potential to build up to 150 MGD of production as demands and conditions warrant.
- B. If the Program is finalized and approved by Metropolitan’s Board of Directors, it will also include plans for the development of a conveyance system consisting of approximately 60 miles of pipeline and a series of pump stations (AWT Conveyance System). The AWT Conveyance System could potentially deliver up to 150 MGD of treated water to the Central, West Coast, Orange County and Main San Gabriel Groundwater Basins. Delivery locations along the alignment will consist of either existing groundwater spreading basins, new or existing injection wells, or industrial customers of Member Agencies in the Los Angeles and Long Beach Harbor areas. Metropolitan has divided the pipeline alignment into five segments for consideration of a phased construction approach.
- C. LADWP and the City’s Bureau of Sanitation (LASAN) are currently developing a comprehensive program (City Program) to purify and reuse 100% of available secondary effluent from the Hyperion Water Reclamation Plant (HWRP) by 2035. Under the City Program, LASAN will be pilot-testing treatment processes that will ultimately lead to the retrofit of the HWRP to produce advanced treated water. LADWP is also currently developing a masterplan with the Water Replenishment District of Southern California (WRD) that will evaluate the most optimal locations to convey this water into the underlying aquifers within the West Coast and Central Groundwater Basins. At a future date, there may be opportunities for LADWP to convey some of its advanced treated water into Metropolitan’s planned AWT Conveyance System as a potential supplemental supply source to the water source produced by the Metropolitan AWT Facility. There may also be opportunities for Metropolitan’s advanced treated water to flow into the LADWP system. Both options could create flexibility for both plants.

- D. Due to the size, complexity and anticipated capital investment required of both Metropolitan's and the City's programs, it will be beneficial for both organizations to coordinate and collaborate, as appropriate, during the developmental stages of both programs. Such coordination and collaboration will ensure that both systems are planned, designed, constructed and operated in a manner consistent with the best interests of the customers of each organization and its constituents.

## TERMS

### 1. INTENT AND COMPONENTS:

- a. It is the intent of the Parties to collaborate in the development and utilization of AWT supplies produced from their respective facilities, while minimizing areas of potential conflict or duplication of activities.
- b. Metropolitan and LADWP intend to develop a plan to coordinate the potential integration of Metropolitan's Program and the City's Program. This collaboration will examine the operational and institutional integration of the water and facilities of the respective program. To that end, the Parties intend for the plan through a future MOU to:
- i. Ensure continuity, compatibility, and flexibility of both Metropolitan and LADWP's recycled water infrastructure to meet future supply conditions;
  - ii. Identify and examine potential water quality issues and specifications related to integrating the two programs;
  - iii. Provide for related research, testing, and other technical collaborations;
  - iv. Provide for collaboration on regulatory developments related to both programs; and
  - v. Develop additional areas for collaboration and support, as identified by the Parties.
- c. The Parties intend to develop an MOU that will include conducting and preparing any additional studies necessary to evaluate the integration of these two programs. These studies may include the economic and technical feasibility, financing needs, right-of-way and permitting requirements, environmental and regulatory compliance obligations, brine discharge requirements, and engineering, construction, operational, and water quality specifications.

2. The provisions of this LOI represent a statement of the Parties' general intent only, and shall not be binding on either Party. Neither Party shall have any obligation to enter into the MOU, and no course of conduct of the Parties shall evidence any binding obligations. Each Party fully understands that the terms and conditions of the proposed MOU are subject to approval by the

General Manager of the Los Angeles Department of Water and Power, the Board of Commissioners of the Los Angeles Department of Water and Power, the Los Angeles City Council, the General Manager of Metropolitan, and the Metropolitan Board of Directors, and that no Party shall have any legal obligations to the other unless and until all of the terms and conditions of the proposed MOU have been negotiated and agreed to by all Parties and set forth in the proposed MOU, which have been approved by the Board of Water and Power Commissioners and the Los Angeles City Council, and signed and delivered by all Parties.

3. NOTICES

Any notice under this LOI must be in writing and addressed as follows:

The Metropolitan Water District of Southern California  
Post Office Box 54153  
Los Angeles, CA 90054-0153  
Attn: John Bednarski, Group Manager, Engineering Services  
With a courtesy copy by email to: [jbednarski@mwdh2o.com](mailto:jbednarski@mwdh2o.com)

Los Angeles Department of Water  
111 North Hope Street  
Los Angeles, CA 90012  
Room 1460  
Attn: David Pettijohn, Director of Water Resources  
With a courtesy copy by email to: [David.Pettijohn@ladwp.com](mailto:David.Pettijohn@ladwp.com)

A properly addressed notice will be effective on the day of delivery, if delivered directly by a Party or by a nationally recognized delivery service, or on the third day after mailing, if sent postage prepaid by U.S. Mail. The Parties shall transmit a courtesy copy of any notice to the other Party by email on the day the notice is sent.

Either Party may change the address listed in this section by providing five days' notice to the other Party.


The Parties are signing this LOI in duplicate originals.

**THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA**

By:   
General Manager

Date: July 16, 2019

**APPROVED AS TO FORM:**

By:   
General Counsel


**LOS ANGELES DEPARTMENT OF WATER AND POWER**

By:   
General Manager

Date: July 15, 2019

**APPROVED AS TO FORM & LEGALITY:**

Michael F. Feuer  
LOS ANGELES CITY ATTORNEY

By:   
Deputy City Attorney  
melanie A. Torry  
711519