

**LOCAL WATER SUPPLY DEVELOPMENT PROGRAM**  
**INFORMATION/APPLICATION PACKAGE**  
**FOR**  
***RECYCLED WATER***

PREPARED BY  
THE SAN DIEGO COUNTY WATER AUTHORITY

LAST REVISED  
August 2010



**SAN DIEGO COUNTY WATER AUTHORITY  
LOCAL WATER SUPPLY DEVELOPMENT PROGRAM**

**INFORMATION/APPLICATION PACKAGE**

**FOR**

***RECYCLED WATER***

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**SAN DIEGO COUNTY WATER AUTHORITY  
LOCAL WATER SUPPLY DEVELOPMENT PROGRAM**

**I. BACKGROUND**

The San Diego County Water Authority (Water Authority) was founded in 1944 to import supplemental water to the San Diego region. The Water Authority is comprised of 24 member agencies, which either directly or indirectly purchase water for use at the retail level. Historically, the Water Authority has provided between 70 to 95 percent of the region's water supplies through purchases from the Metropolitan Water District of Southern California (Metropolitan). Remaining supplies are produced by Water Authority member agencies from local reservoirs, groundwater basins and water recycling facilities.

The Water Authority and its member agencies are engaged in a long-term effort to reduce regional reliance on imported water supplies. The Water Authority anticipates the development of approximately 40,000 acre-feet of recycled water demand within its service area by the year 2015.

In 1991 the Water Authority established the Reclaimed Water Development Fund (RWDF). The RWDF provided agencies an initial financial contribution of up to \$100 per acre-foot of recycled water produced and beneficially reused within the Water Authority's service area. In September 2005, the RWDF incentive level was increased to \$147.00/AF to reflect an inflation factor based on a compounded annual inflation rate of 3 percent (based on an interest accrual period from FY 1993 through FY 2005). In November 2006, the RWDF Program was further modified to provide up to \$200 per acre-foot of recycled water and potable water produced from brackish or otherwise contaminated groundwater. The inclusion of funding for groundwater recovery projects necessitated a change in the Water Authority's financial incentive Program from the RWDF Program to the Local Water Supply Development (LWSD) Program.

In February 2008, the LWSD Program was again amended to expand eligibility to include seawater desalination projects and adopt program guidelines and funding principles to govern the determination of member agency financial need for seawater and brackish groundwater desalination projects. A separate application package titled "Information/Application Package for Desalination Projects" was developed for these types of projects seeking LWSD funding.

The LWSD Program was initially designed to supplement financial incentives from Metropolitan's Local Resources Program (LRP). Through the LRP, Metropolitan provided qualifying projects from \$0 to \$250 for each acre-foot of reuse up to a maximum of 25 years. Metropolitan's past financial assistance programs, the Local Projects Program (LPP), the Groundwater Recovery Program (GRP), and the Temporary Local Resources Program (TLRP) have been phased out and replaced by the Local Resources Program (LRP). In September 2005, the Water Authority Board of

Directors approved recommending eliminating the requirement that award of RWDF incentives was contingent upon receiving LRP incentive funding.

In July 2007, MWD released its revised LRP Funding Application Package which eliminated the competitive request for proposal process, and instead employed an open process to accept and review project applications on a continuous basis for the development of 174,000 acre-feet per year of local resources.

The LWSD Program is a discretionary program of the Water Authority. After determination of eligibility, including determination of a financial need according to the program guidelines, each potential project requires the approval of the Water Authority Board of Directors.

## **II. PURPOSE**

The purpose of the LWSD Program is to promote the development of cost-effective water recycling projects that prevent, or reduce a demand for, imported water and improve regional water supply reliability.

## **III. DEFINITIONS**

Recycled Water: is treated wastewater that is subject to water quality standards and regulatory agency oversight and approval, and is usable for designated non-potable, beneficial uses such as landscape and agricultural irrigation, industrial processes, and commercial applications.

Project: means the Project for production and/or delivery of Recycled Water.

Agency: is the public agency that owns and operates, or proposes to own and operate, the Project. The Agency may or may not be a member agency of the Water Authority.

Project Sponsor: is the member agency of the Water Authority whose service area is served by the Project.

End User: is each of the ultimate users that purchase the Recycled Water produced by the Project.

Beneficial Use: means the use of Recycled Water supplied by the Project and utilized by an End User that provides benefit to the region. These benefits include, but are not limited to, landscape irrigation for parks, campgrounds, golf courses, freeway medians, community greenbelts, school athletic fields; irrigation for agricultural food crops and nursery stock; recreational and aesthetic enjoyment associated with the replenishment of lakes, ponds and ornamental fountains; dust control at construction sites; makeup water for cooling tower use; and other industrial and commercial purposes.

Recycled Water Rate: means the rate used to calculate revenues from recycled water sales. If the Agency is a retail water agency, the Recycled Water Rate is the higher of: 1) Agency's recycled water rate(s) for sales to End Users; or 2) eighty-five percent (85%) of the lowest applicable potable water rate of the Agency for the End User served by the Project. A participating retail water agency has the prerogative to charge its customers less than eighty-five percent (85%) of the lowest applicable potable water rate of the Agency for the End User served by the Project. However, the Agency will continue to be analyzed on the basis of charging eighty-five (85%) of the lowest applicable potable water rate of the Agency for the End User served by the Project for LWSD Program incentive calculation purposes. If the Agency is not a retail water agency, the Recycled Water Rate is the higher of the Agency's rate for each class of recycled water service, or 85% of the Project Sponsor's rate for each equivalent class of potable water service. An agency that is not a retail water agency has the prerogative to charge its customers less than eighty-five percent (85%) of the Project Sponsor's rate for each equivalent class of potable water service. However, the non-retail agency will continue to be analyzed on the basis of charging eighty-five (85%) of the Project Sponsor's rate for each equivalent class of potable water service for LWSD Program incentive calculation purposes. For purposes of this definition, applicable potable water rate shall mean the commodity charge for the class of service associated with the End User being served by the Project.

Allowable Project Yield: means the actual amount of recycled water, measured in acre-feet, which is sold and delivered to the End Users by the Project in any given year, and which is used within the Water Authority's service area. Allowable Project Yield (Yield) shall exclude any non-revenue generating Recycled Water, which is used within the wastewater treatment/water recycling plant property for on-site plant uses such as, filter backwash, cooling, process water, wash-down, including landscape irrigation and other uses that will not reduce a demand for potable water from the Water Authority, as these uses would not have existed without the existence of the wastewater/water recycling plant and the requirement to comply with wastewater discharge permits. Yield shall also exclude any potable water used to supplement or replace the Recycled Water provided to the End Users. If an Agency determines that Yield delivered to any End User will not result in the collection of revenue, the Agency will calculate the cost per AF value of that Yield at the rate generally charged to customers of the recycled water system but in no event less than 85% of the lowest applicable potable water rate for End Users served. The Agency will clearly track and report this Yield on a monthly billing basis. This Yield will be used in the calculation of revenue to annually determine the Water Authority's LWSD Program incentive contribution.

Project Revenues: means revenues from recycled water sales, plus any other revenues, which offset the costs of recycled water production or distribution. These additional revenues may include Metropolitan Water District of Southern California (Metropolitan) incentives (such as Local Resources Program incentives), federal and state grants, contributions from other agencies, connection fees, capacity charges, meter charges, special assessments, interest earnings on debt service reserves, and tax revenues.

Project Costs: means the actual Project cost to produce an acre-foot of Recycled Water beneficially reused by Project End Users and is comprised of three components: Annualized Capital Costs, Annualized Operation and Maintenance (O&M) Costs and Annualized Replacement Costs. Project Costs exclude the cost of existing facilities, the cost of those Project components necessary to meet National Pollutant Discharge Elimination Permit (NPDES) and Waste Discharge Permit requirements, the costs of primary and secondary treatment facilities, and the cost of those Project components funded by grants or contributions from private or public agencies. Project Costs may include costs incurred by Agency for the retrofitting of private water systems to the extent necessary to permit the attainment of Yield.

Capital Cost Values: means the actual cost of the development of the tertiary water treatment facility, the distribution system, and the debt service associated with the construction of these facilities.

Contribution Rate: means the current per acre-foot of Yield determined and paid in accordance with Section V.

LWSD Program: means the San Diego County Water Authority's Local Water Supply Development Program.

#### **IV. ELIGIBILITY CRITERIA**

To qualify for LWSD Program incentives, an Agency must meet the following eligibility criteria:

##### **1. New Water Supply**

The Agency must demonstrate that the Project will result in a new water supply, which will reduce demands on the Water Authority for imported water. Recycled water production that will not reduce demands on the Water Authority (e.g. recycled water deliveries that reduce or replace groundwater usage) do not qualify for LWSD Program incentives.

Metering devices shall be installed and owned, operated and maintained by Agency for the purpose of measuring Yield. Each meter shall be read in accordance with the Agency's or the Water Authority's regular billing cycle for purposes of billing and accounting between the Parties to determine at the beginning of each billing cycle the quantity of Recycled Water billed to End Users during the preceding billing cycle.

If the Agency's customer is a Wholesale Customer(s), Agency will ensure metering devices shall be installed and owned, operated and maintained by the Wholesale Customer(s) for the purpose of measuring Project Yield from their respective End-users. The Agency meter, that supplies the recycled water to the Wholesale Customer, will be the meter that will be used to measure eligible Agency Project Yield.

Agency shall install metering devices at the Recycled Water storage reservoirs or water reclamation plant(s) to determine the quantity of raw or potable water, if any, that was blended with Recycled Water and delivered to End Users during each billing cycle. The Agency will be responsible for ensuring that all metering devices are properly installed, calibrated, and maintained. The Agency shall be solely responsible for the accuracy of the meter readings. The Water Authority reserves the right to review the meter readings and may request independent meter accuracy testing. The costs of any independent meter test will be divided equally between the Water Authority and the Agency.

## 2. Financial Need

The Agency must demonstrate that the Project requires additional funding to be financially feasible. A Project is assumed to demonstrate a financial need when cumulative Project Costs (including a proposal share of the agency's general overhead costs) exceed cumulative Project Revenues during the initial years of Project operation.

Once the Project has demonstrated financial need and the Water Authority funding commences, the Agency shall make available for inspection by the Water Authority, upon reasonable advance notice, all records, books and other documents relating to the operation of the Project. Additionally, the Water Authority, at its sole discretion, may conduct an annual financial review of the Project to determine whether the Project continues to meet the financial need criteria (see Section VI).

## 3. Project Sponsor

An Agency that is not a member agency of the Water Authority must be sponsored by a Water Authority member agency (or agencies) within whose service area(s) the Project is located. The Project Sponsor will be party to any agreement approved by the Water Authority Board of Directors (Board). LWSD Program incentives will be provided as a credit on the Project Sponsor's water bill, or, at the Water Authority's discretion, a reimbursement check will be issued directly to the Agency.

## 4. Compliance with Regulatory Requirements and Laws

The Agency shall ensure, either directly or by contract with End Users, that all recycled water produced, treated, and delivered by the Project is used in compliance with all applicable federal, state and local statutes, ordinances, regulations and other requirements, and shall further ensure that connections to the recycled system are properly designed and constructed. Additionally, the Agency must demonstrate that appropriate regulatory and public health permits have been, or will be, obtained.

The agency shall also demonstrate compliance with all applicable laws and regulations associated with the extraction, replenishment, management, treatment, and distribution of groundwater.

5. California Environmental Quality Act

Agency shall ensure that the Project complies with the provisions of the California Environmental Quality Act (CEQA). The Water Authority shall not be obligated to make any payments for Yield from any component of a Project that does not comply with CEQA requirements.

6. Technical Development

Prior to applying for LWSD Program incentives, the Agency must complete a sufficient level of technical and financial planning to allow Water Authority staff to determine whether the Project complies with the eligibility criteria outlined above.

**V. CALCULATION OF CONTRIBUTION RATE AND METHOD OF PAYMENT**

The following conditions govern the calculation of the Contribution Rate and the payment of incentives:

1. Agreement

The Agency and Project Sponsor, if applicable, must enter into an agreement with the Water Authority prior to the allocation of any funds under the LWSD Program. The agreement will establish the terms governing the payment of LWSD Program incentives, the role of the Agency and Project Sponsor, liability clause, and other related matters.

The term of the agreement will be 25 years from the date the Project begins deliveries. The Agency will be eligible to receive funding during each of the 25 years, or until the Project no longer qualifies to receive LWSD Program incentives. If the Project does not demonstrate a financial need in any given year, then funding will not be allocated for that specific year.

2. Maximum Contribution Rate

The Maximum Contribution Rate is currently set at \$200 per acre-foot of Yield. The Maximum Contribution Rate may be adjusted periodically by the Water Authority Board of Directors, and is based upon the Water Authority's actual and projected costs of acquiring additional water supplies.

3. Contribution Rate

The Contribution Rate for an acre-foot of Yield will be established annually by the Water Authority for each Project deemed eligible for LWSD Program incentives. The Contribution Rate will be determined based on the specific financial need of the Project and may be less than the Maximum Contribution Rate.

4. Calculation of Contribution Rate

At the end of each fiscal year, the Water Authority will conduct a financial review of the Project to determine the Project's cumulative net balance, (i.e., the difference between cumulative Project Revenues and cumulative Project Costs, for the coming fiscal year). The Project will be eligible to receive Contribution Rate disbursements if the cumulative net balance for the coming fiscal year is projected to be less than zero (i.e. if cumulative Project Costs exceed cumulative Project Revenues). The Contribution Rate disbursements for a Project will be established in such a manner as to maintain a cumulative Project balance of \$0, provided, however, that the Contribution Rate may not exceed the Maximum Contribution Rate. The Water Authority will include an allowance for its foregone interest earnings in the calculation of the Project's cumulative net balance.

5. Addition of Earnings/Cost of Funds to Cumulative Net Balance

For the purpose of computing the Cumulative Net Balance in any given fiscal year, there shall be added to Project Costs the annual cost of funds to the Agency for carrying any negative Cumulative Net Balance from the first day of the fiscal year the Project begins deliveries of Recycled Water to an End User through the last day of the fiscal year under consideration. For the purpose of computing the Cumulative Net Balance in any given fiscal year, there shall be added to Project Revenues the estimated earnings of the Agency on any positive Cumulative Net Balance from the first day of the fiscal year the Project begins deliveries of Recycled Water to an End user through the last day of the fiscal year under consideration. See the following example:

	First Year of Delivery	Second Year of Delivery	Third Year of Delivery
Project Revenue	\$100	\$400	\$1,200
Project Cost	\$500	\$500	\$500
Balance	(\$400)	(\$100)	\$700
Cumulative Net Balance	(\$400)	(\$520)	\$154
Cost of Funds/ Interest Adjustment*	(\$20)	(\$26)	\$8
Adjusted Cumulative Net Balance	(\$420)	(\$546)	\$162

\*Assumes 5% of Cumulative Net Balance

## 6. Return of Excess Contributions

In the event that the Project has a positive cumulative net balance at the end of any fiscal year, the Agency will return to the Water Authority the amount of any contributions made during that year so as to achieve a cumulative net balance of \$0. The policy of the Water Authority is not to provide contributions for projects that can maintain a positive cumulative net balance without a Water Authority contribution.

## 7. Method of Invoicing and Payment

The Agency shall invoice the Water Authority monthly for the Yield, based upon the quantities billed to End Users during the previous month. Billings shall be based upon meter readings at each and every connection of the Project to an End User.

Contribution Rate disbursements will be paid monthly based on the actual Yield during the previous billing cycle and the Actual Contribution Rate for the Project. Incentives to the member agencies will be provided in the form of a credit on their monthly Statement of Water Deliveries and Charges. If the Agency receiving the credit is not a Water Authority member agency, a reimbursement check will be issued directly to the Agency by the Water Authority.

## 10. Eligible Project Costs

*“Annualized Capital Costs”* shall be computed using only the following incurred costs by the Agency for the Project:

- Design and construction management service fees.
- Planning (excluding LISA-funded planning costs), design, and construction costs of the Project facilities; these costs may include a recycled water distribution system of varying diameter recycled water pipeline, pump stations, and storage facilities. The tertiary treatment facilities shall not be used for wastewater disposal purposes.
- Agency administration of the Project planning (excluding LISA-funded planning costs), design, construction, and start-up costs. These costs represent a reasonable overhead allocation that must be agreed upon with the Water Authority.
- Land, right-of-way and easements for the Project and Recycled Water system facilities.
- Environmental documentation (excluding LISA-funded costs) and mitigation measures directly related to the implementation or operation of the Project and required to comply with applicable environmental permits and laws, including but not limited to the California Environmental Quality Act, National Environmental Policy Act, AB32 (Greenhouse Gas Emissions), and the California and Federal Endangered Species Acts. Environmental documentation costs shall commence with the Notice of Preparation and conclude with the filing of the Notice of Determination.
- Annual debt service expense.

- All other costs not specified in the above section shall be excluded, unless previously approved by the Water Authority.
- All contributions (e.g. Metropolitan and Water Authority incentives, grants, fees, charges, etc.) shall be offset "or netted" against the capital cost values for the purpose of computing the Annualized Capital Costs component.

*“Operation and Maintenance Costs”* for the applicable fiscal year shall be computed using only the following incurred costs by the Agency for the Project:

- Professional consulting service fees for Project operation, maintenance and audit.
- Agency labor costs and/or contract costs (rate based on current market rate).
- Chemicals and supplies for the Project operation and maintenance.
- Net electrical energy (recovery energy shall be deducted from energy purchased) for eligible facilities and distribution system operations. The Water Authority shall not pay for electrical energy costs if the Agency fails to install metering devices.
- Contractor services and supplies for Project facilities, operation and maintenance, and repair to maintain reliable system operation and achieve regulatory compliance.
- Monitoring required by permits, including water quality sampling and analysis of Recycled Water produced by the Project.
- All other costs not specified in the above section shall be excluded, unless previously approved by the Water Authority.
- All contributions shall be offset against operating cost values for the purpose of computing the Operation and Maintenance Costs component.

*“Replacement Costs”* shall be computed on the following basis:

- Cost estimates for replacement of major Project parts exceeding \$100,000, will be subject to internal Water Authority staff review to determine the reasonableness of the submitted cost estimate.
- Project parts identified for replacement will have met or exceeded average lifecycles for that identified replacement part.
- Salvage value of replaced parts shall be offset against replacement costs.
- All contributions shall be offset against replacement cost values for the purpose of computing the Replacement Costs component.
- All other costs not specified in the section above shall be excluded, unless previously approved by the Water Authority.

Note: The Water Authority may request explanations or a review of the detailed costs included in the Agency’s submittal of eligible costs, however, the Water Authority’s determination as to the validity of the costs is final.

11. Eligible Project Revenues

“Annual Revenue Sources” shall consist, but not be limited to, the following sources:

- Revenues from Recycled Water sales, plus any other revenues, which offset the costs of Recycled Water production or distribution.
- Metropolitan Local Resources Program (LRP) incentives.
- Federal and state grants awarded to an Agency’s program.
- Agency connection fees, capacity charges, meter charges, special assessments, and tax revenues.
- Interest earnings on debt service.
- All other revenues not specified in the above section, but obtained after the first fiscal year of operation, shall be included in the total revenue calculation of each subsequent fiscal year.

**VI. ANNUAL FINANCIAL REVIEW AND RECORD KEEPING**

1. Annual Review

The Water Authority will conduct an annual review of Eligible Project Costs and Eligible Project Revenues to determine the Contribution Rate for the Project. The Water Authority will send the appropriate reporting forms to the Agency by November 1st of each year which will require providing estimated Project Costs and Revenues for the current and upcoming fiscal year. The Water Agency will also provide actual Project Costs and Revenues from the prior fiscal year. These forms must be submitted to the Water Authority by January 31st of each year. For the purpose of projecting future year costs, inflation factors and interest rates will be determined by the Water Authority.

The Water Authority (or its authorized agent) shall have the right to physically examine the accounting and Project records of the Agency to verify Project Costs and Project Revenues no less than every three years and will require an independent audit of those records. The Agency will submit all requested materials to the Water Authority no later than three weeks from the date of the initial request.

Notwithstanding the formula described above, the Contribution Rate for any year may be adjusted: (a) to reflect the results of any review/audit by the Water Authority of the actual Project Costs and Project Revenue during previous Project operation years; and (b) to reduce the Contribution Rate by an amount equal to the Agency's obligation to repay any sum owed to the Water Authority under the Financial Assistance Program (FAP) for reclamation planning studies for this Project or any other Agency projects.

2. Record Retention

The Agency shall establish and maintain accounting records of all revenue sources received and costs incurred for the construction, operation and maintenance, and replacement of parts for the Project as described in Section 10 - Eligible Project Costs,

and Section 11 - Eligible Project Revenues. Accounting for the Project shall utilize generally accepted accounting principles and be consistent with the terms of this Application Package.

The Agency's Project accounting records must clearly distinguish all costs for the Project from the Agency's other water production, treatment, and distribution costs. These records shall also be adequate to determine Recycled Water and Yield in order to accomplish all cost calculations contemplated within the context of the Project.

The Agency shall establish and maintain accounting records of all contributions including grants that offset "Eligible Project Costs."

The Agency shall collect Recycled Water and Yield data for each fiscal year of the Project and retain records of that data based on metering requirements. In addition, the Agency shall collect and retain records of the total annual amount of water conveyed outside the Agency's service area using Project facilities. The Agency shall keep all Project records for at least three years following the termination of this Project Agreement.

The Water Authority shall have the right to audit Recycled Water and Yield data relevant to the terms of any Agreement entered into for a period of three fiscal years following termination of the Project Agreement. The Water Authority may elect to have such reviews/audits conducted by its staff or by others, including independent accountants or engineers, as designated by the Water Authority. The Agency shall make available for inspection to the Water Authority or its designee, upon 30 days written notice, all records, books and other documents related to the determination of Project Yield. Based on the results of any independent review or audit, an adjustment for over or underpayment of Project Yield for each applicable fiscal year shall be paid by the Water Authority or the Agency within one year of determination after such adjustment. The costs of any independent review or audit shall be equally divided between the parties.

## **VII. PERFORMANCE PROVISIONS**

The Water Authority reserves the right to terminate the Project if construction has not commenced or the Allowable Yield is not delivered by a mutually agreed upon date (subject to bi-annual review). The Water Authority, after consultation with Agency, may reduce its Contribution Rate by a factor equal to the percentage shortfall of the actual Allowable Project Yield to the Agency's projected targeted Allowable Project Yield or in some other manner that reflects the realistically attainable Yield for the Project.

## **VIII. TERM AND AMENDMENTS**

The term of the Agreement shall be for twenty-five (25) years from the date the Project commenced delivery of Recycled Water to an End User, unless agreed to otherwise. In the event that for any year the Contribution Rate equals more than zero, the Agreement shall not be terminated, and no funds shall be owed to the Agency by the Water Authority.

In the event of an Agreement breach, the Water Authority reserves the right to cease advancing current and future funds and may seek reimbursement for previously advanced funds. Additionally, the breach may prohibit the Agency from participating in any future cooperative Agreements with the Water Authority.

The Agreement may be modified through bilateral agreement between the parties. Any modifications made to the Agreement shall be confirmed in writing prior to performance of the change.

#### **IX. INDEMINITY - HOLD HARMLESS**

The Agency agrees to defend, indemnify, and hold harmless the Water Authority, its officers, and employees, from all damage, injury, claims, demands, losses, and liability to the extent that the same are the result of Agency conducting the Project, or the negligence or willful misconduct of the Agency or any of its officers, employees or any other person acting pursuant to its control in performing the work under this agreement.

#### **X. PROJECT APPLICATION**

To be considered for funding under the LWSD Program, an Agency must submit a completed application package prior to the start of the construction bid process. The following information and documents must be submitted as part of the LWSD Program application package:

1. A letter from the Agency's General Manager requesting funding for the Project under the LWSD Program.
2. Engineering Report (Attachment A)
3. Project Fact Sheet (Attachment B)
4. An Agency that is not a member agency of the Water Authority must also submit a letter of sponsorship from the Water Authority member agency within whose service area the Project is located (Project Sponsor).

The information required for the LWSD Program is similar to that required for Metropolitan's LRP. The same supporting information can be used for both program applications.

## ATTACHMENT A

### LOCAL WATER SUPPLY DEVELOPMENT PROGRAM ENGINEERING REPORT

The purpose of the Engineering Report is to verify that the Project meets all of the Qualifying Criteria. Each proposed Project is unique and, therefore, may require more or less information to support its viability for inclusion in the LWSD Program. In any case, the Engineering Report, at a minimum, must include the following:

1. The source and quality of the recycled water and its conformity with water quality requirements and other pertinent regulations and permits;
2. A table summarizing the market analysis for the Project including the prospective End Users' names, annual demand projections, and types of use. If the Project is an expansion to an existing Project, provide above information for existing End Users as well. Existing recycled water End Users are those that already receive recycled water. All other users shall be considered Prospective End Users.
3. All existing and proposed facilities which may be used to produce and distribute water under the Project;
4. A 8.5" x 11" or 11" x 17" map clearly identifying Project facilities such as conveyance, and treatment facilities; recycled water End Users, and source of supply (map should differentiate between the existing and proposed facilities and End Users);
5. Capital cost estimate delineating the cost of each Project component and other related costs necessary to complete the construction of the Project. The cost estimate should be in enough detail to enable Water Authority staff to conduct an independent cost analysis;
5. Operations and Maintenance (O&M) cost estimate including the anticipated annual costs for manpower and administration, chemicals, power, contractor services and supplies, water quality sampling expenses, and other items required to properly operate and maintain the Project facilities and to serve customers. O&M costs for existing facilities and operations if the proposed project is an expansion of an existing facility;
7. The interest rate and term of each funding component for Project construction, (i.e., state loan programs, bonds, certificate or participation, etc.);
8. A cash flow analysis for the Project for the first 25 years of Project operation including the annual yield, debt service, O&M costs, revenue from sale of recycled water, contributions received from other agencies, etc.;

9. A copy of the environmental document (i.e., Final Negative Declaration, Environmental Impact Report, or Notice of Exemption), certificate of approval by the Project Sponsor, notice of determination filed with the State Clearinghouse and/or the local County Clerk;
10. A copy of pertinent permits such as National Pollutant Discharge Elimination Permit (NPDES), Wastewater Discharge, Water Reclamation, Basin Plan Amendment, etc.;
11. A copy of any water purchase agreement or contract with other entities or agencies for the purchase of recycled water produced by the Project, Project operation and maintenance, and any other matters related to the Project;
12. A copy of the agency's Groundwater Management plan and any project references included as part of the management plan.

A suggested outline for the Engineering Report is presented on the following pages.

RECYCLED WATER  
ENGINEERING REPORT OUTLINE

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**ATTACHMENT B**

**LOCAL WATER SUPPLY DEVELOPMENT PROGRAM  
PROJECT FACT SHEET**

**I. GENERAL PROJECT INFORMATION:**

- A. Project Title: \_\_\_\_\_
- B. Location: \_\_\_\_\_

**II. CONTACT INFORMATION:**

- A. Project Sponsor: \_\_\_\_\_  
(SDCWA Member Agency)
- B. Agency: \_\_\_\_\_
- C. Agency Contact and Title: \_\_\_\_\_
- D. Mailing Address: \_\_\_\_\_
- E. Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_
- F. E-Mail Address: \_\_\_\_\_

**III. PROJECT DATA:**

- A. Project Completion Date: \_\_\_\_\_
- B. Estimated Date Project Begins Deliveries: \_\_\_\_\_
- C. Maximum Yield (Acre Feet Per Year): \_\_\_\_\_
- D. Engineer's Cost Estimate: \_\_\_\_\_
- E. Major Proposed Funding Amounts and Sources: \_\_\_\_\_  
\_\_\_\_\_