

Metropolitan Water District  
 Imported Supply Unit  
 Revenue Requirements and Budget 2014/15 & 2015/16  
 Unbudgeted State Water Project Credits

Component	Description	Amount	MWD \$
Off Aqueduct Capital	<p>Credit for the undepreciated capital cost of the Reid Gardner Unit No. 4. This contract expired. DWR has no further obligation for the operating costs of this coal fired power generation facility. The DWR share of the undepreciated capital cost of the RG4 generator is variously estimated to be in the \$47M. Return of these funds is contingent on the actions of others. FERC must make a decision. Nevada Energy must send a check for the return the undepreciated capital cost. DWR's plan is to use the undepreciated capital cost to pay all of the outstanding Off Aqueduct Power Facilities debt. This will end the contractor's charges for these facilities. Currently, the OAPF debt obligation continues until 2035, but there is no OAPF operating facilities associated with the debt. All of the facilities having been abandoned or the operating agreements ended. One additional CY of OAPF capital charges is need (2014) to reduce the outstanding OAPF debt. DWR believes the RG4 undepreciated capital cost funds will be sufficient funds to pay all \$42M remaining OAPF Debt service costs starting in 2015. O&amp;M costs for groundwater remediation would continue.</p>	\$47M Est.	\$32M Est. based on 70% share
WSRB Reserve Reduction (aka Springing Amendment)	<p>DWR holds \$10M of excess reserves. Release of these funds requires DWR to complete a detailed analysis of the use of the funds and the relative share for each contractor. DWR does not have staff available to do this analysis. This requires the hiring of an outside consultant to complete the analysis. The consultant will be hired by the end of this year. This effort is now in its 5<sup>th</sup> year.</p>	\$10M	\$6M
WSRB Reserve Interest Earnings	<p>This interest has been earned on the overall bond reserve. This interest is being held pending determination of the reserve allocation. Once the allocation share is resolved annual interest earning will be available.</p>	\$7M	\$4.2M
WSRB Reserve Reduction (1/2 MADS year)	<p>DWR's revenue bond reserves are based on one half of the annual debt service in year in which it is at its highest (MADS - maximum annual debt service). The year shifts as bonds are retired and issued. Some bonds have been retired</p>	Unknown at this time	

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	and the ½ MADS has been reduced. Return of the excess reserves will be dependent upon completion of the reserve allocation analysis.		
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● **Board of Directors**  
***Water Planning and Stewardship Committee***

4/9/2013 Board Meeting

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**8-4**

**Subject**

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Approve Foundational Actions Funding Program

**Executive Summary**

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Staff proposes that Metropolitan implement a Foundational Actions Funding Program to establish funding for technical studies and pilot projects reduce barriers to future water resource production. Member agencies will be invited to respond to a Request for Proposals (RFP) offering dollar-for-dollar matching funds up to \$500,000. Staff will form a review panel of outside technical experts and Metropolitan staff to evaluate proposals. Proposals meeting the selection criteria will be presented to the Board for approval.

Funding these actions would help Metropolitan maintain its reliability goals, as outlined in the 2010 IRP Update. These actions would advance additional supply options that could be implemented if needed to prepare the region for long-term changes including climate, potential limitations in the availability of resources, demographic and economic trends, and changes in water quality and other regulations.

**Details**

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**Foundational Actions Background**

In 2010, the Board adopted the Integrated Water Resources Plan (2010 IRP Update). The 2010 IRP Update established a planning framework, including a core resources program, which is designed to ensure the region's reliability into the future. Metropolitan's core resources plan is on track and is well-positioned to meet future demands within an expected range of future conditions. However, if future supply vulnerabilities and uncertainties should prove greater than expected, additional resources may be required. These resources would more easily be implemented in the future by proceeding with Foundational Actions now. Foundational Actions include technical studies and research (up to pilot projects, but not full-scale projects) that enable timely, future implementation of challenging resources:) including but not limited to:

- Recycled water (including direct and indirect potable);
- Seawater desalination;
- Stormwater capture;
- Groundwater enhancement.

**Foundational Actions Funding Program Description**

Staff proposes a pilot Foundational Actions Funding Program (FAF Program) to pursue these foundational actions. Proposals under this FAF Program would consist of technical studies or pilot projects to enable effective resource planning and implementation. More specifically, these proposals would be aimed to reduce barriers to project implementation, and:

1. Advance the field of knowledge for future water resource production;
2. Provide results that are unique, yet transferable to other areas in the region; and
3. Represent a catalytic/critical path to water resource implementation.

Examples of studies under the FAF Program may include, but are not limited to:

- determination of optimal desalination integration practices or treatment processes;
- assessment of the stormwater runoff quantity potential in a region and its effect on groundwater production yields;
- analysis of how to maximize opportunities for indirect potable reuse;
- studies of how to reduce barriers to direct potable reuse;
- study to support permitting agencies in establishing policies and regulatory criteria for future regional water resources;
- analysis of the ability for reduced brine-discharge approaches to help improve resource availability; and
- study of basin-wide water quality management programs and their impact on improved groundwater yields.

Activities that would not be eligible for funding under the FAF Program include but are not limited to::

- funding CEQA documentation for projects;
- acquisition of property;
- design of full-scale projects; and
- construction of full-scale projects.

### **Program Funding and Features**

Expenditures for this program were not included in the FY 2013/14 budget. Funding of member agency proposals would be brought for board consideration after the responses have been received and evaluated. The following further describes the proposed FAF Program.

- Metropolitan would issue an RFP to the member agencies, inviting proposals under the FAF Program. Total funding level is estimated to be \$3 million. The final funding level may be higher or lower based on the member agency responses.
- Final authorization for funding of each specific proposal would come before the Board for approval.
- Each proposal would require a non-Metropolitan match of at least 100 percent of the Metropolitan funded amount.
- Each member agency may submit multiple proposals for consideration, although they must rank them by priority.
- Member agencies may partner with each other or with outside entities.
- Total funding requested cannot exceed \$500,000 for a given member agency or a given proposal.
- If the proposal meets the description and criteria for the FAF Program, the proposal would be presented to the Board for consideration.

### **Proposal Selection**

Metropolitan would form a technical review panel of three Metropolitan staff and two external experts to review the proposals, ensure compliance with the FAF Program description and eligibility, and evaluate each proposal based on additional selection criteria as described further in this document. The technical review panel would develop a list of recommended Foundational Actions proposals and funding levels, which staff would provide to the Board for consideration of funding.

Additional selection criteria for each proposal may include the following:

- **Reduces Barriers to Future Production**
  - Actions are critical to resource implementation and planning efforts.
  - Actions will advance the field of knowledge for development of future water resources, and may be used in future research.
  - Actions are unique and innovative (differ from other completed or ongoing studies).
  - Actions increase future local supply potential.
  - Actions expedite future permitting or facilitate beneficial regulations for future water resources.

- **Regional Benefit/Applicability**
  - Results of the proposal apply to Metropolitan's member agencies, retail agencies, and regional stakeholders.
  - May include other benefits, such as environmental, water quality, energy, wastewater, infrastructure, etc.
- **Work Plan**
  - Work plan has adequate detail and completeness so that it is clear that the proposed actions can be implemented. Potential challenges and issues related to proposal implementation are identified and addressed; and
  - Proposal objectives can be achieved in the stated time period with the allotted personnel and budget.

### Next Steps

Following approval of the FAF Program, staff would issue an RFP to the member agencies. Once responses are evaluated, staff would return to the Board to review the recommended proposals and request funding. After the recommended proposals are funded, staff would evaluate and report to the Board on the progress of this pilot program and, depending on its measured effectiveness and benefits, staff may make a recommendation for the continuation of the FAF Program.

### Policy

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By Minute Item 48449 dated October 12, 2010, the Board adopted the CEQA determination and the 2010 Integrated Resources Plan Update, as set forth in the letter signed by the General Manager on September 29, 2010.

### California Environmental Quality Act (CEQA)

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CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines

CEQA determination for Option #2:

None required

### Board Options

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#### Option #1

- Adopt the CEQA determination and
  - a. Approve the proposed Foundational Actions Funding Program; and
  - b. Direct staff to issue a Request for Proposals.

**Fiscal Impact:** There is no immediate fiscal impact to issue the Request for Proposals for the FAF Program. Staff estimates that program funding could be approximately \$3 million. The actual fiscal impact may be higher or lower based on the member agency responses, which would be funded by available operating reserves through a subsequent board action.

**Business Analysis:** Implementing the Foundational Actions Funding Program would allow the region to better understand and reduce the barriers to future implementation of resources, should they be needed.

**Option #2**

Do not approve the Foundational Actions Funding Program.

**Fiscal Impact:** None

**Business Analysis:** Not approving the Foundational Actions Funding Program would result in no short-term changes for the region, but may affect potential water supply options in the future.

**Staff Recommendation**

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Option #1

  
\_\_\_\_\_  
Deven N. Upadhyay  
Manager, Water Resource Management

3/21/2013

Date

  
\_\_\_\_\_  
Jeffrey Kightlinger  
General Manager

3/26/2013

Date

Ref# wrm12622382



● **Board of Directors**  
***Water Planning and Stewardship Committee***

9/10/2013 Board Meeting

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**8-2**

**Subject**

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Authorize staff to enter into funding agreements for Foundational Actions Funding Program proposals

**Executive Summary**

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In May 2013, Metropolitan issued a Request for Proposals (RFP) under a pilot Foundational Actions Funding Program (FAF Program) for technical studies and pilot projects that reduce barriers to future production of recycled water, stormwater, seawater desalination, and groundwater resources. Funding these actions will help Metropolitan maintain its reliability goals, as outlined in the Integrated Water Resources Plan 2010 Update (2010 IRP Update).

Metropolitan received 23 proposals, a total matching funding request of \$5.1 million, from 17 different member agencies. Metropolitan assembled a technical review panel composed of three Metropolitan staff and two independent experts to compare the proposals for consistency with program objectives and criteria. The review panel compared all of the proposals with the criteria outlined in the RFP, and found that 16 of the proposals matched all of the objectives established by the Board of Directors for the FAF Program. The matching funding for these 16 programs would be \$3.3 million. Staff recommends that the Board authorize funding agreements for these 16 proposals.

**Details**

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**Foundational Actions Funding Program Background**

Metropolitan's 2010 IRP Update established a planning framework, including a core resources program that is designed to ensure the region's reliability into the future. The 2010 IRP Update also recognized that the future is uncertain and under some conditions, additional water resources may need to be developed. Addressing this future uncertainty, the 2010 IRP Update established Foundational Actions, which are low-risk, preliminary actions that can be taken to ensure the region will be ready to implement new water supply programs, should the need arise.

In April 2013, Metropolitan's Board approved a two-year pilot program to begin funding some of these Foundational Actions. Actions proposed under the FAF Program consist of technical studies or pilot projects pertaining to recycled water (including direct and indirect potable reuse), seawater desalination, stormwater, or groundwater. As one component of the overall IRP Foundational Actions strategy, actions funded under the FAF Program help enable effective future resource planning, reduce barriers to future water resource production, and:

- advance the field of knowledge for future water resource production
- provide results that are unique, yet transferable to other areas in the region
- represent a catalytic/critical path to water resource implementation

**Foundational Actions Funding Program 2013 RFP**

In May 2013, Metropolitan issued an RFP for member agencies to submit proposals for consideration under the FAF Program ([Attachment 1](#)). Member agencies could request up to \$500,000 of funding, which they are required to match dollar-for-dollar with non-Metropolitan funds.

Metropolitan assembled a technical review panel composed of three Metropolitan staff and two independent experts to compare the proposals for consistency with program objectives and criteria. The review panel performed an independent review of each proposal. Once reviews were completed, the panel collectively compared findings and reached a consensus on projects. The panel indicated that 16 of the projects matched all of the program criteria established by the Board. **Attachment 2** contains a list of panel members and an affidavit from the review panel confirming the findings. Each proposal was compared with the following criteria:

- Work Plan/Schedule: Clear that the proposed actions can be implemented successfully; objectives achievable on time and within budget.
- Costs: Cost effective work plan budget; ready to proceed with matching funds.
- Reduces Barriers to Future Production: Critical to resource implementation and planning efforts; advances the field of knowledge for development of future water resources; unique and innovative; increases future local supply potential.
- Regional Benefit/Applicability: Transferable to other areas of the region and may provide other benefits.

**Funding Recommendations for the FAF Program 2013 RFP**

Based on the technical review panel results, staff recommends that Metropolitan enter into agreements to fund the 16 proposals that matched all of the FAF Program criteria established by the Board of Directors, for a total funding level of \$3.3 million. Table 1 provides an overview of the results concerning the recommended proposals.

Table 1	
Recommended Proposals	16
Member Agencies Participating	14*
Total Funding Requested	\$3.3 Million
Resources Represented	
Groundwater	6
Recycled Water	6
Seawater Desalination	2
Stormwater	2

\*Nine member agencies as lead agencies; an additional five member agencies as participating funders.

These proposals would be evaluating new water treatment technologies, developing data to inform regulations, studying options for infrastructural innovation, and identifying future resource potential. Further detail about each recommended proposal may be found in **Attachment 3**.

Through successful completion of the proposals, Metropolitan expects to reduce barriers and enhance regional understanding of the challenges and technical requirements necessary to develop future water supplies.

**Next Steps**

If the Board authorizes funding agreements for the recommended proposals, staff will enter into agreements with the applicable member agencies for the work outlined in these proposals. All agreements must be signed by the recipient by November 15, 2013; work initiated by January 31, 2014; and final reports are due to Metropolitan staff by February 1, 2016. A final report on the progress of the actions and evaluation of the FAF Program will be submitted to the Board.



## Policy

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By Minute Item 48449 dated October 12, 2010, the Board adopted the CEQA determination and the 2010 Integrated Resources Plan Update, as set forth in the letter signed by the General Manager on September 29, 2010.

By Minute Item 49381 dated April 9, 2013, the Board adopted the CEQA determination, approved the proposed Foundational Actions Funding Program, and directed staff to issue a Request for Proposals.

## California Environmental Quality Act (CEQA)

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CEQA determination for Option #1:

The proposed action to enter into agreements for the 16 recommended proposals totaling \$3.3 million is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. Metropolitan has reviewed and considered the projects proposed for funding. The detailed proposal descriptions are in [Attachment 3](#). The proposals consist of basic data collection and resource evaluation activities, which do not result in a serious or major disturbance to an environmental resource. These activities may be strictly for information gathering purposes or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded. Accordingly, the proposed action qualifies as a Class 6 Categorical Exemption (Section 15306 of the State CEQA Guidelines).

The CEQA determination is: Determine that pursuant to CEQA, the proposed action qualifies under a Categorical Exemption (Class 6, Section 15306 of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

## Board Options

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### Option #1

Adopt the CEQA determination that the proposed action is categorically exempt and direct staff to enter into funding agreements for the recommended 16 proposals totaling \$3.3 million.

**Fiscal Impact:** A total of \$3.3 million would be committed to funding these proposals, with 25 percent withheld contingent on delivery of a final report.

**Business Analysis:** Implementing the recommended proposals under the Foundational Actions Funding Program would allow the region to better understand and reduce the barriers to future implementation of resources, should they be needed.

### Option #2

Do not approve funding recommendations.

**Fiscal Impact:** None

**Business Analysis:** Not approving the recommended proposals under the Foundational Actions Funding Program would result in no short-term changes for the region, but may affect potential water supply options in the future.

**Staff Recommendation**

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Option #1

  
Deven N. Upadhyay  
Manager, Water Resource Management

8/21/2013  
Date

  
Jeffrey Kightlinger  
General Manager

8/28/2013  
Date

**Attachment 1 – 2013 Request for Proposals for Foundational Actions Funding Program**

**Attachment 2 – Review Panel Members and Panel Affidavit**

**Attachment 3 – Detailed Proposal Descriptions**

Ref# wrm12624392

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA  
Water Resource Management Group**

**2013 Request for Proposals for  
Foundational Actions Funding Program**



**KEY DATES**

Request for Proposals (RFP) Issued.....May 6, 2013  
Pre-proposal Workshop.....May 20, 2013 @ 10:00 a.m.  
Proposal Due By.....July 3, 2013 @ 11:00 a.m.

**NOTICE**

**A non-mandatory pre-proposal workshop** will be held May 20, 2013, from 10:00 a.m. to 12:00 p.m. at Metropolitan Headquarters, Union Station 700 North Alameda Street, Los Angeles, CA 90012, Room US2-145.

All potential applicants are encouraged to attend.

Metropolitan Contact: Stacie N. Takeguchi  
E-mail Address: [stakeguchi@mwdh2o.com](mailto:stakeguchi@mwdh2o.com)

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## SECTION 1: **INFORMATION FOR MEMBER AGENCIES**

This Request for Proposals (RFP) is designed to promote an objective process for distributing funds for technical studies or pilot projects to enable effective future resource planning and potential development of recycled water, seawater desalination, stormwater, and groundwater enhancement. This RFP contains information concerning the 2013 Foundational Actions Funding Program objectives, who can submit, funding, schedule, and review process. The Metropolitan Water District of Southern California (Metropolitan) invites its Member Agencies to submit a proposal for the program described herein.

### **1.1 Objective**

Metropolitan has proposed a Foundational Action Funding (FAF) Program to help address regional funding needs for actions that reduce barriers to future water resource production, and:

- Advance the field of knowledge for future water resource production.
- Provide results that are unique, yet transferable to other areas in the region.
- Represent a catalytic/critical path to water resource implementation.

Metropolitan's 2010 Integrated Water Resources Plan (2010 IRP Update) established a planning framework, including a core resources program, that is designed to ensure the region's reliability into the future. The 2010 IRP Update also recognized that the future is uncertain and under some conditions, additional water resources may need to be developed. Addressing this future uncertainty, the 2010 IRP Update established Foundational Actions, which are low-risk, preliminary actions that can be taken to ensure the region will be ready to implement new water supply programs, should the need arise. This FAF Program represents one component of the overall IRP Foundational Actions strategy.

### **1.2 Description**

Actions proposed under the FAF Program would consist of technical studies or pilot projects to enable effective future resource planning and potential implementation for the following resources (in no particular order):

- Recycled water (including direct and indirect potable reuse)
- Seawater desalination
- Stormwater
- Groundwater enhancement

These actions are meant to identify and investigate opportunities to develop future water resources. Examples of studies under the FAF Program may include, but are not limited to:

- determination of optimal desalination integration practices or treatment processes
- assessment of the stormwater runoff quantity potential in a region and its effect on groundwater production yields
- analysis of how to maximize opportunities for indirect potable reuse
- study of how to reduce barriers to direct potable reuse

- study to support permitting agencies in establishing policies and regulatory criteria for future regional water resources
- analysis of the ability for reduced brine-discharge approaches to help improve resource availability
- study of basin-wide water quality management programs and their impact on improved groundwater yields.

FAF Program would not include:

- funding CEQA documentation for projects
- existing studies or projects
- acquisition of property
- design of full-scale projects
- construction of full-scale projects

### **1.3 Who Can Submit?**

The RFP is open to Metropolitan Member Agencies (Member Agencies). Member Agencies may partner with other Member Agencies or with other entities, but the proposal must be submitted by one designated lead Member Agency.

### **1.4 Funding**

Member Agencies may submit proposal funding requests up to \$500,000 per agency or a given proposal. If a Member Agency submits multiple proposals, that Member Agency must indicate the priority ranking of each proposal. If partnering on a proposal, the Member Agency submitting the proposal shall be responsible for any priority ranking of multiple proposals from that Member Agency. A proposal may only be submitted once. Also, if partnering on a proposal, a breakdown of each member agency's funding request and respective monetary match is required and will be used to track that agency's total funding request (see Section 2.2F). Each proposal requires a non-Metropolitan monetary match of at least 100 percent of the Metropolitan funded amount. Funding will not be provided for any work that will not allow results to be released to the public.

### **1.5 Anticipated Process Schedule**

<b>Date</b>	<b>Milestone</b>
<b>05/06/13</b>	Release of RFP
<b>05/20/13</b>	Non-mandatory Pre-proposal Workshop
<b>05/22/13</b>	Questions for Clarification Closes at 11:00 a.m.
<b>07/03/13</b>	<b>RFP Proposals Due By 11:00 a.m.</b>
<b>09/17/13</b>	Proposal Awards (Contingent Upon Board Action)
<b>11/15/13</b>	Agreement Signed by Recipient Due
<b>01/31/14</b>	Work Initiation Deadline
<b>02/01/16</b>	Final Report Deadline

### **1.6 Non-mandatory Pre-proposal Workshop**

1. A pre-proposal workshop will be held from 10:00 a.m. to 12:00 p.m., Monday, May 20, 2013, at Metropolitan's Headquarters at 700 North Alameda Street, Los Angeles, CA 90012, in Room US2-145. Metropolitan will discuss the details of the FAF Program RFP and answer questions. Written questions regarding this RFP may be submitted from the release of the RFP to one week following the pre-proposal workshop (see Questions for Clarification section).
2. While attendance is not mandatory, all interested parties and prospective applicants are encouraged to attend. Attendees are invited to present relevant questions at the pre-proposal workshop.
3. Metropolitan headquarters is located next to the Los Angeles Union Station with many public transportation options. There are also numerous parking lots nearby ([http://mwdh2o.com/mwdh2o/pages/about/union\\_station\\_parking\\_map.pdf](http://mwdh2o.com/mwdh2o/pages/about/union_station_parking_map.pdf)). Parking will not be validated. Sign in at the front desk for a temporary badge and the location of the workshop. Allow sufficient time to sign in and locate the workshop.

### **1.7 Questions for Clarification**

Address questions for clarification regarding this RFP in writing via e-mail to **Ms. Stacie Takeguchi** at [stakeguchi@mwdh2o.com](mailto:stakeguchi@mwdh2o.com) by 11:00 a.m., May 22, 2013. As appropriate, Metropolitan will provide responses to questions, information updates, and RFP addendums through a link near the bottom of the main page of Metropolitan's website, [www.mwdh2o.com](http://www.mwdh2o.com).

### **1.8 General Proposal Information**

1. Applicants are encouraged to carefully review this RFP in its entirety prior to preparation of the proposal.
2. All proposals submitted will become the property of Metropolitan.
3. Applicants may modify or amend its proposals only if Metropolitan receives the amendment prior to the deadline stated herein for receiving proposals.
4. A proposal may be considered non-responsive if conditional, incomplete, or if it contains alterations of form, additions not called for, or other irregularities that may constitute a material change to the proposal.
5. Additional copies of the RFP may be downloaded through a link near the bottom of the main page of Metropolitan's website at: [www.mwdh2o.com](http://www.mwdh2o.com).

### **1.9 Rights Reserved to Metropolitan**

Metropolitan reserves the right to:

1. Reject any and all proposals and revise terms and conditions, and elect to not award full program funding.
2. Select the proposal(s) most advantageous to Metropolitan.
3. Verify all information submitted in the proposal.

4. Cancel this solicitation at any time without prior notice and furthermore, makes no representations that any contract will be awarded to any applicant responding to this RFP.
5. Negotiate the final contract with any applicant(s) as necessary to serve the best interests of Metropolitan.
6. Amend the RFP.
7. Amend the final contract to incorporate necessary attachments and exhibits or to reflect negotiations between Metropolitan and the successful recipient(s).

#### **1.10 Validity**

Proposals must be valid for a period of at least 12 months from the closing date and time of this RFP. Once submitted, the proposal shall be considered to be property of Metropolitan and may not be physically withdrawn after the submission date. However, the applicant may request for the submitted proposal not to be considered for funding prior to the funding award.

#### **1.11 Confidentiality**

1. Metropolitan is subject to the Public Records Act, California Government Code Section 6250 et. seq. As such, all required submittal information is subject to disclosure to the general public. Consequently, unless specifically required by the solicitation, the applicant should not submit personal data such as driver's license information, social security numbers, etc. to avoid the possibility of inadvertent disclosure of this personal information. Please note that Metropolitan cannot consider proposals marked confidential in their entirety.
2. The applicant may provide supplemental information exempt from public disclosure under Gov. Code § 6254, including "trade secrets" under Evidence Code § 1060. Such supplemental information **shall not be material** to the required submittal information and Metropolitan shall be under no obligation to consider such supplemental information in its evaluation.
3. If submitting confidential, supplemental information, such information should be sectioned separately from the rest of the submittal and clearly marked "Confidential." Upon completion of its evaluation, Metropolitan will destroy any confidential, supplemental information submitted, or return such information to the applicant if so requested.

#### **1.12 Evaluation and Selection Process**

1. Proposals will be evaluated by an independent review panel comprised of Metropolitan and non-Metropolitan professionals familiar with water resources in Southern California. The review panel will ensure compliance with the FAF Program objectives and eligibility, and evaluate each proposal based on selection criteria as described further in this document. Metropolitan staff will review the panel suggestions and develop a list of recommended proposals and funding levels for Metropolitan's Board of Directors (Board) approval.



2. During the evaluation process, the review panel may request clarification, as necessary, from the applicant. Applicant(s) should not misconstrue a clarification request as negotiations.
3. If similar proposals, or proposals that would provide similar results, are submitted, then only one eligible proposal may be selected for funding. Also, if multiple proposals are submitted that could be collectively part of an overall study/project, then only one eligible proposal may be selected for funding.
4. Review panel may elect to have the applicant interview or give an oral presentation. Applicant(s) must be prepared for the interview or to give their presentation within five business days of the request by review panel. The review panel may ask questions about the applicant's written proposal and other issues regarding the scope of work. The interview may be evaluated as part of the proposal.

### **1.13 Agreement Process**

1. After proposals are selected for program participation, Metropolitan will enter into agreements upon successful contract negotiations. Funding may be withdrawn if agreements are not signed by the recipient within three months of proposal selection.
2. Metropolitan may negotiate proposal scope and funding changes if deemed beneficial.
3. Recipients must submit quarterly progress reports (including invoices), interim study/project documents, and a final report documenting study/project results, other findings, and recommendations for future action. Recipients must also submit a brief update report annually for a period of five years, summarizing related post-grant activities.
4. Performance provisions may be incorporated into the program agreements. These provisions would allow Metropolitan to adjust or withdraw financial commitments to the proposal based on performance.
5. Funding will be provided quarterly based on submitted progress reports, invoices, and appropriate documentation. The non-Metropolitan funding match must equal or exceed the Metropolitan funded amount per quarterly progress payment. A minimum 25 percent withholding is required until a final report is accepted by Metropolitan.
6. Final reports must be completed and submitted no later than **February 1, 2016**, unless extended by Metropolitan. Final payment will be made within 60 days of acceptance of final report.

#### **1.14 Negotiations**

Negotiations regarding agreement terms, conditions, work plan, schedule, and funding may or may not be conducted with the applicant. If Metropolitan engages the applicant in negotiations and satisfactory agreement provisions cannot be reached, then negotiations may be terminated.

#### **1.15 Selection Criteria**

The review panel will use the criteria provided below to evaluate proposals and make its selection recommendations. In addition, the review panel will identify and weigh each proposal's significant strengths, weaknesses, and miscellaneous issues.

Recommendations will reflect the collective findings of the review panel. To be qualified for funding, proposals must satisfy each criterion category and subcategory listed as follows and in Section 2.2 of this document. The order of the listed criteria is not indicative of their priority, weighting, or importance.

**Criteria:**

1. Work Plan/Schedule
2. Costs
3. Reduces Barriers to Future Production
4. Regional Benefit/Applicability

The selection criteria are described further in Section 2.2 of this document.

## SECTION 2: PROPOSAL INSTRUCTIONS

The following format and content requirements shall be adhered to for proposals to be considered responsive. Applicants should use the numbering and lettering system outlined in these guidelines. Concise informative proposals within the page limitations are encouraged.

### 2.1 Format Guidelines

- The proposal must be on white 8 1/2" x 11" size paper with black text in a 12-point font, and table/graphics with text no smaller than a 10-point font.
- Proposals shall be no more than 20 single-sided pages, including attachments.
- Proposals must be stapled on the upper left hand corner; no other type of binding will be accepted.
- Provide one original and six hard copies of the proposal.
- An electronic copy of the proposal must be submitted on a CD in Microsoft Word format. Do not include video or other additional media.
- Proposals shall be clear, accurate, and comprehensive. Excessive or irrelevant materials will not be favorably received.
- **Proposals that are not in conformance with these formatting requirements and the following content requirements may be deemed non-responsive and rejected.**

### 2.2 Content Requirements

Proposals shall be organized and lettered in the order presented below:

- A. Executive Summary Letter
- B. Entities Participating in Proposal
- C. Key Individuals
- D. Proposal Description
- E. Criteria One – Work Plan / Schedule
- F. Criteria Two – Costs
- G. Criteria Three – Reduces Barriers to Future Production
- H. Criteria Four – Regional Benefit / Applicability

#### **A. Executive Summary Letter**

This letter shall be a brief, formal signed letter from the applicant Member Agency (and any partnering Member Agency(s)). This letter shall provide a brief description of the proposal, and information regarding the organization and its ability to meet the objectives and requirements of this RFP.

The letter should be signed by an individual(s) authorized to bind the proposing Member Agency and shall identify all materials and enclosures being forwarded in response to this RFP.

An unsigned Executive Summary Letter may be grounds for rejection. The letter must include the following language:

**“I am informed and believe that the information contained in this proposal is true and that the supporting data is accurate and complete.”**

Please include the following information in your letter:

<b>Name of Proposal</b>	
Water Resource Category (Recycled Water, Seawater Desalination, Stormwater, Groundwater)	
Member Agency Name(s) (As it appears on W-9 Tax form)	
Federal ID #	
Address	
City, State & Zip	
Main Telephone	
Contact Name	
Contact Telephone	
Contact E-mail Address	
Website Address (if applicable)	

**B. Entities Participating in Proposal**

- List other entities participating in proposal.
- Provide support letters from necessary participants (not considered as part of the 20-page limit for proposals).

**C. Key Individuals**

- Proposal participants / cooperating agencies
- Identify key individuals including program manager and management team
  - Name, title
  - Title
  - Phone Number
  - Mailing address
  - Fax Number
  - E-mail Address
  - Relevant experience

**D. Proposal Description**

Provide a concise summary that includes an overall description of the proposal, conveying a clear understanding of the proposal's goals and objectives.

**E. Criteria One – Work Plan / Schedule**

Provide a detailed work plan describing each proposed task and deliverable, and how proposal success will be measured. If partnering on a proposal with other entities, describe the role/involvement of each partner and their relationship to the proposal. Describe factors that may affect the feasibility of implementing the proposal. Also provide a description of the technical expertise and overall strength of the proposal team.

Cite proposed schedule including start date (no later than January 31, 2014), tasks, deliverables, reports, completion date (no later than February 1, 2016), and other key milestone dates.

Identify components and tasks that could be broken out to allow funding to be provided for a particular activity or combination of activities. The description must clearly describe how funds would be used.

The following includes additional information and instruction for evaluation:

- Work plan and schedule needs to include adequate detail and completeness so that it is clear that the proposed actions can be implemented and proposal success can be measured. Identify potential challenges, issues, and prerequisites related to proposal implementation, and describe how they will be addressed.
- Describe how the proposal objectives can be achieved in the stated time period with the allotted personnel and budget.

**F. Criteria Two – Costs**

Provide a cost breakdown of the work plan consistent with the schedule. This should be itemized in tabular form (see following tables). Each work plan task should include a breakdown of the applicant's monetary funding match, source of the funding match (e.g., name of the Member Agency, outside grant agency, etc.), and requested Metropolitan funds. Do not include any in-kind services. If partnering with other Member Agencies, provide separate cost tables for each Member Agency and a proposal total cost table. For each cost table, the grand total non-Metropolitan funding match must equal or exceed the Metropolitan funded amount requested. Also provide a list summarizing all sources of the funding match, their respective monetary contribution, and status of the funding match (e.g., funding budgeted and approved by the Member Agency's Board of Directors, grant received, applying for grant, etc.). Include supporting information for the budget (such as labor categories, hourly rates, labor time estimates, materials and supplies, and subcontractor/consultant quotes) and also for the status of the matching funds.

Cost Table Example – Member Agency 1					
Cost Category		Non-Metropolitan Share (Funding Match)		Requested Funding	Total
		Source	Amount		
(a)	List proposed tasks on separate lines				
(b)	Proposed Task				
(c)	...				
Grand Total		--			

Cost Table Example – Member Agency 2					
Cost Category		Non-Metropolitan Share (Funding Match)		Requested Funding	Total
		Source	Amount		
(a)	List proposed tasks on separate lines				
(b)	Proposed Task				
(c)	...				
Grand Total		--			

Cost Table Example – Proposal Total					
Cost Category		Non-Metropolitan Share (Funding Match)		Requested Funding	Total
		Source	Amount		
(a)	List proposed tasks on separate lines				
(b)	Proposed Task				
(c)	...				
Grand Total					

The following includes additional information and instruction for evaluation:

- Describe the cost effectiveness of the proposed work plan budget.
- Describe the readiness to proceed with the matching funds, and how the matching funds will be committed by the Member Agency before the Member Agency signs the FAF Program agreement.

**G. Criteria Three – Reduces Barriers to Future Production**

In this section, applicant shall describe in narrative form the following:

- Describe how the proposed actions are critical to resource implementation and planning efforts. If applicable, include how the proposed actions expedite future permitting or facilitate beneficial regulations for future water resources.
- Describe how these actions will advance the field of knowledge for development of future water resources. Include how the results of the proposed actions could be used in future research.

- Describe how these actions are unique and innovative. Describe the current state of technology, and include any completed or ongoing similar studies and how proposed actions differ (include a literature search summary).
- Describe how the proposed actions increase future local supply potential.

**H. Criteria Four – Regional Benefit / Applicability**

In this section, applicant shall describe in narrative form the following:

- Describe how the results of this proposal would apply to Metropolitan’s member agencies, retail agencies, and regional stakeholders (transferable to other areas of the region). If applicable, describe other benefits, such as environmental, water quality, energy, wastewater, infrastructure, etc.

**2.3 Submittal Instructions**

Proposals for this RFP will be accepted at the following address:

<u>By Mail</u>	<u>In Person or by Courier</u>
The Metropolitan Water District of Southern California Water Resource Management Group P.O. Box 54153 Los Angeles, CA 90054-0153  Attn.: Business Resource Center Desk, US 5-113  RFP for Foundational Actions Funding Program	The Metropolitan Water District of Southern California Water Resource Management Group 700 North Alameda Street Los Angeles, CA 90012  Attn.: Business Resource Center Desk, US 5-113 – Telephone (213) 217-6000  RFP for Foundational Actions Funding Program

Proposals received after the stated time and date will be considered late and will be automatically rejected by Metropolitan. The applicant is **solely responsible to ensure that its proposal is submitted correctly both in form and content and within the stipulated deadline.** Proposals that are late will be deemed non-responsive and not considered during the evaluation process.

**Proposals will be received until 11:00 a.m., July 3, 2013.**

Review Panel Members and Panel Affidavit

**Paul R. Brown**

President, Paul Redvers Brown Inc.

**Heather L. Collins**

Section Manager, Metropolitan Water District

**Robert L. Harding**

Unit Manager, Metropolitan Water District

**Michael J. McGuire, PhD, PE**

President, Michael J. McGuire, Inc.


**Brent M. Yamasaki**

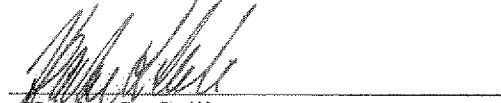
Section Manager, Metropolitan Water District

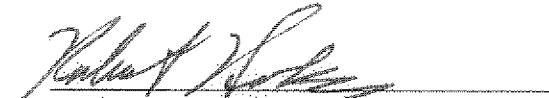


**Affidavit for Review Panelists**

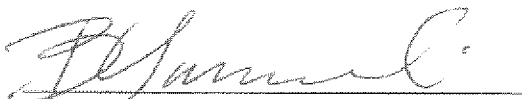
The undersigned members of the Review Panel for the Foundational Actions Funding Program 2013 RFP objectively reviewed the proposals to ensure compliance with the FAF Program objectives and eligibility requirements, and confirm the collective findings of the Review Panel.

  
\_\_\_\_\_  
Paul R. Brown  
Consultant

  
\_\_\_\_\_  
Heather L. Collins  
Section Manager

  
\_\_\_\_\_  
Robert L. Harding  
Unit Manager

  
\_\_\_\_\_  
Michael J. McGuire  
Consultant

  
\_\_\_\_\_  
Brent M. Yamasaki  
Section Manager

Proposal Descriptions

Water Resource	Proposal Name	Lead Agency (Participating Agencies)	Amount Requested	Brief Proposal Description
<b>Recommended Projects</b>				
Groundwater	Pilot Scale Groundwater Desalter Brine Concentrator Study	Eastern Municipal Water District	\$ 192,214	<ul style="list-style-type: none"> <li>Evaluate the performance of AquaSel Technology in concentrating brine from groundwater desalters</li> <li>Demonstrate AquaSel as a cost-effective approach to increase the recovery of potable water from brackish groundwater</li> </ul>
	Enhanced Research Using Reduction-Coagulation-Filtration (RCF) for Hexavalent Chromium Removal	City of Glendale	\$ 180,000	<ul style="list-style-type: none"> <li>Assess the impact of reduction time and iron dose on the reduction/coagulation/filtration (RCF) process for chromium 6 removal</li> <li>Evaluate the cost competitiveness of enhanced RCF compared to other chromium 6 treatment technologies</li> </ul>
	Pilot Scale Biological Treatment Process (BIOTTTA) for the Removal of TCE, TCP, DBCP, Nitrates	Inland Empire Utilities Agency	\$ 239,600	<ul style="list-style-type: none"> <li>Conduct a Pilot Scale Biological Treatment Process (BIOTTTA) to evaluate groundwater contaminant removal using indigenous bacteria</li> <li>Develop final design criteria for a full-scale BIOTTTA system</li> </ul>
		<i>Western Municipal Water District</i>	\$ 175,600	
	San Juan Basin Groundwater and Desalination Optimization Program	Municipal Water District of Orange County	\$ 200,000	<ul style="list-style-type: none"> <li>Evaluate potential conjunctive use of stormwater, recycled water, and desalination in small basins with impaired groundwater quality</li> <li>Model groundwater extraction barriers, identify issues related to program elements</li> <li>Develop design and operations criteria and alternatives</li> </ul>
	Study to Evaluate Indirect Potable and Pathogen Removal	San Diego County Water Authority	\$ 125,000	<ul style="list-style-type: none"> <li>Evaluate the feasibility of IPR through a technical study of pathogen removal in water reclamation facilities, focusing on the first phase of treatment</li> <li>Reduce barriers and overall costs to IPR implementation</li> </ul>
	Tracer Alternative Research Project	West Basin Municipal Water District	\$ 85,250	<ul style="list-style-type: none"> <li>Study potential alternative groundwater tracers to SF<sub>6</sub> that would be functional, easy to trace, safe for groundwater and the environment</li> <li>Potential tracers include xenon, krypton, and isotopically-enriched tracers</li> </ul>
Recycled Water	Pilot Scale 3-D Fluorescence Excitation-Emission Matrix to Enhance Recycled Water	Inland Empire Utilities Agency	\$ 25,000	<ul style="list-style-type: none"> <li>Further the development of 3D-EMM technology by illustrating its usefulness in characterizing the reduction of residual trace bulk organics in groundwater having a recycled water component</li> <li>Develop a monitoring method to allow additional recycled water recharge and update blending requirements</li> </ul>
		<i>Western Municipal Water District</i>	\$ 25,000	
	Recycled Water Intertie Study	Inland Empire Utilities Agency	\$ 12,500	<ul style="list-style-type: none"> <li>Address permitting, political, and economic issues associated with a recycled water intertie from two separate wastewater treatment systems</li> </ul>
<i>Western Municipal Water District</i>		\$ 12,500		

Proposal Descriptions

Water Resource	Proposal Name	Lead Agency (Participating Agencies)	Amount Requested	Brief Proposal Description
	RMWD San Vicente Water Reclamation Plant Recycled Water Brine Reduction Study and Pilot Project	San Diego County Water Authority	\$ 75,000	<ul style="list-style-type: none"> <li>Analyze available technologies to minimize brine volumes and concentrate brine flows</li> <li>Define analysis of brine minimization in RMWD's storage pond and provide a system with highest cost to benefit ratio</li> </ul>
	Validating Monitoring Technologies to Ensure Integrity in Potable Reuse	San Diego County Water Authority	\$ 150,000	<ul style="list-style-type: none"> <li>Evaluate various on-line monitoring tools for application to potable reuse and assess the effectiveness of monitoring on a Full Advanced Treatment process</li> <li>Develop a regulatory framework for implementing DPR</li> </ul>
	Development of an Innovative IPR Treatment Train to Maximize Recycled Water Recharge and Minimize Blending Requirements	Upper San Gabriel Valley Municipal Water District	\$ 150,000	<ul style="list-style-type: none"> <li>Investigate and optimize TOC attenuation through ozone and biologically activated carbon (BAC) followed by soil aquifer treatment for IPR</li> <li>Evaluate efficacy of using O<sub>3</sub>/BAC to increase recycled water contribution</li> </ul>
Recycled Water	Direct Potable Reuse (DPR) Research Initiative	West Basin Municipal Water District	\$ 100,000	<ul style="list-style-type: none"> <li>Develop a smart water system that integrates diverse sensors for immediate feedback</li> <li>Establish a framework communication plan for achieving DPR acceptance for California</li> <li>Conduct hazard assessment for key unit operations and evaluate upstream wastewater treatment impacts</li> </ul>
		<i>Burbank Water and Power</i>	\$ 20,000	
		<i>City of Torrance</i>	\$ 30,000	
		<i>Eastern Municipal Water District</i>	\$ 50,000	
		<i>Las Virgenes Municipal Water District</i>	\$ 50,000	
		<i>Municipal Water District of Orange County</i>	\$ 100,000	
		<i>Three Valleys Municipal Water District</i>	\$ 50,000	
		<i>Upper San Gabriel Valley Municipal Water District</i>	\$ 50,000	
		<i>Western Municipal Water District</i>	\$ 50,000	
Seawater Desalination	Overcoming Barriers to Slant Well Seawater Desalination - Siting, Groundwater, Water Quality and Treatment	Municipal Water District of Orange County	\$ 200,000	<ul style="list-style-type: none"> <li>Assess current slant well technology and address coastal geotechnical and environmental risks</li> <li>Model groundwater flow/water quality, study well site options and analyze slant well impacts</li> </ul>

Proposal Descriptions

Water Resource	Proposal Name	Lead Agency (Participating Agencies)	Amount Requested	Brief Proposal Description
	Ocean-Water Desalination Intake Corrosion and Biofouling Control Study	West Basin Municipal Water District	\$ 125,000	<ul style="list-style-type: none"> <li>• Understand corrosion and biofouling rates of several wedge wire screen materials in ocean environment</li> <li>• Determine effectiveness of biogrowth control strategies for intake piping and assess multiple piping material</li> <li>• Develop findings for application to future design, implementation, and operation of intake facilities</li> </ul>
Stormwater	Los Angeles Stormwater Capture Master Planning Project	Los Angeles Department of Water and Power	\$ 414,034	<ul style="list-style-type: none"> <li>• Identify opportunities to increase beneficial use of stormwater and quantify total potential stormwater capture</li> <li>• Identify, assess, and recommend projects, programs, and/or policies that will enable successful stormwater capture and use</li> </ul>
	Ozone Park Stormwater Harvesting and Direct Use Demonstration Project	City of Santa Monica	\$ 400,000	<ul style="list-style-type: none"> <li>• Demonstrate feasibility of harvesting stormwater as future water production strategy</li> <li>• Analyze influent/effluent/harvested water quality</li> </ul>
<b>Total</b>			<b>\$3,286,698</b>	