




RESOLUTION NO. 026 069

BOARD LETTER APPROVAL


Gregory Reed (Oct 15, 2025 16:30:50 PDT)

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Water System


JANISSE QUIÑONES
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DATE: September 10, 2025

SUBJECT: Amendment No. 1 to Agreement WR-24-1000 between the Los Angeles Department of Water and Power and the Los Angeles Bureau of Sanitation for Expanding the Groundwater Replenishment Project

SUMMARY

Amendment No. 1 (Amendment) to Agreement WR-24-1000 between the LADWP and the Los Angeles Department of Public Works, Bureau of Sanitation and Environment (LASAN) will authorize the expansion of the Groundwater Replenishment (GWR) Project by nearly doubling the treatment capacity from 25 million gallons per day (MGD) to 45 MGD.

The GWR Project is currently under construction and is scheduled to be complete by the end of 2027. Once completed it will be one of the largest potable reuse projects in the state of California. Expanding the GWR Project now will leverage active on-site resources in a cost-effective and environmentally responsible manner, allowing LADWP to maximize the development of sustainable local water supplies.

The GWR expansion will have the ability to treat up to 45 MGD, which is equivalent to the annual water supply for 500,000 Angelenos. The scope of the expansion will include the addition of a basement beneath the new Advanced Water Purification Facility's (AWPF), additional advanced purification treatment, power system upgrades, upsizing of all pipes and mechanical equipment, and all other support facilities necessary to treat 45 MGD. The total additional cost estimate is \$190 million, and the expanded scope is not anticipated to impact the schedule.

This Amendment will increase the authorized reimbursement amount to a new not to exceed amount of \$930 million, and all other terms of the Agreement will remain unchanged.

Staff will continue to update the LADWP Board of Commissioners (Board) on a quarterly basis, and if additional capital investments or significant scope modifications are required to optimize implementation of the 45 MGD GWR Project, staff will return to obtain approval from the Board.

City Council approval is required in accordance with Charter Section 373.

RECOMMENDATION

It is requested that the Board adopt the attached Resolution recommending City Council's approval of Amendment No. 1 to Memorandum of Agreement No. WR-24-1000 as required in Charter Section 373.

ALTERNATIVES CONSIDERED

Not approving the Agreement will constrain LADWP's ability to achieve the recycled water goals outlined in the City's Urban Water Management Plan and the Mayor's Executive Directive No. 5 goal of increasing local water supplies.

Alternatives to develop new water supplies in lieu of the GWR Project were evaluated by the Recycled Water Master Plan and other technical evaluations, and those studies have confirmed that expansion of the GWR Project is cost effective and technically feasible.

FINANCIAL INFORMATION

The LADWP will provide up to an additional \$190 million in reimbursement to LASAN to facilitate the expansion of the GWR Project, enabling it to treat and purify up to 45 MGD of recycled water from the Donald C. Tillman Water Reclamation Plant. In total, LADWP will reimburse LASAN up to \$930 million for the GWR Project, which includes all design, construction, operations and maintenance.

The additional \$190 million associated with this expansion will be utilized to design, permit, and construct the following major elements:

- **AWPF Basement Expansion:** Design and construct a new basement beneath the Advanced Water Purification Facility which upon completion will result in a new 72,000 square foot facility capable of treating 45 MGD. The expansion includes all necessary design and construction costs required to excavate, grade, shore, and upgrade the structural system to expand the AWPF.

- **AWPF Treatment:** New state-of-the-art water treatment technologies are required to produce 45 MGD of purified recycled water, which includes microfiltration, reverse osmosis, and ultraviolet advanced oxidation.
- **Electrical:** Upgrades to the electrical equipment that is required to meet the electrical load requirements of the AWPF.
- **Mechanical:** Upsizing process piping, addition of ductwork and equipment to meet needs of expanded treatment and electrical areas.
- **Preliminary Flow Recovery Project (PFRP) –** Designed to maximize production of recycled water from the AWPF, the PFRP will optimize the AWPF's performance and longevity, improve treatment efficiency, reduce odor emissions, and reduce abrasive materials via a grit handling system.

BACKGROUND

On October 22, 2024, the Board approved Memorandum of Agreement No. WR-24-1000 between LADWP and LASAN to fund up to \$740 million to design, construct, operate, and maintain the GWR Project.

The GWR Project is a collaboration between LADWP and LASAN originally designed to produce up to 22,000 acre-feet per year (AFY) of purified recycled water used entirely by LADWP to replenish the San Fernando Groundwater Basin, a major drinking water source for the City of Los Angeles (City). The GWR Project is one of the largest potable reuse projects in the State, representing a transformational step towards achieving LADWP's goal of developing new sustainable, local water supplies.

The GWR Project started construction on December 6, 2024, and is on schedule. Construction is approximately 15 percent complete, and work is moving forward quickly on the AWPF at the Donald C. Tillman Water Reclamation Plant (DCTWRP). Excavation and grading have commenced, long-lead items have been purchased, and LADWP/LASAN are jointly holding recurring meetings with State regulatory agencies and community stakeholders.

On March 25, 2025, the LADWP Board and Board of Public Works held a Joint Board Meeting to discuss the City's recycled water efforts. During the Joint Board Meeting, the Commissioners requested that LADWP and LASAN evaluate the potential to maximize the development of recycled water in the San Fernando Valley as part of the ongoing GWR Project.

In response to this request, LADWP and LASAN technical teams conducted a detailed assessment of the feasibility of expanding the GWR Project, and concluded that the expansion of treatment capacity from 25 MGD to 45 MGD is technically feasible and cost effective. The expansion would be achieved by constructing a new basement beneath the AWPF as shown below in Figure 1. All the additional advanced treatment

technology will reside within the basement shown below as Figure 2, which will consist of microfiltration, reverse osmosis, and ultraviolet advanced oxidation. The cost for this expansion will require an additional \$190 million which includes all costs to design, permit, and construct the expanded basement, procure and install the advanced treatment systems, electrical upgrades, upsizing of mechanical equipment and pipes, additional building systems and appurtenances.



Figure 1: Rendering of the AWP



Figure 2: Rendering of Expanded Basement

The decision to expand the GWR Project under the existing agreement would provide several benefits to LADWP beyond the near doubling of the new sustainable local water supply from 22,000 AFY (25 MGD) to 40,000 AFY (45 MGD). The expansion also leverages current construction efforts to obtain better pricing, allows work to be completed with no impact to the current completion date, and maximizes the development of recycled water in the San Fernando Valley. Overall, this expansion represents a major step forward in demonstrating an innovative and prudent approach to developing a more sustainable local water supply for the City.

The decision to expand the GWR Project at this time is a result of progress in two main areas.

First, LADWP and LASAN have been effectively coordinating with key stakeholders to evaluate strategies to utilize the 45 MGD of treatment capacity from the DCTWRP. The group has identified several options to find a balance between the development of new local water supply and satisfying the City's environmental goals. Options to maximize the production of recycled water in the San Fernando Valley include the diversion of additional wastewater flows to the DCTWRP, adaptively managing flows of treated wastewater to the Los Angeles River, or a hybrid of both options. In short, LADWP is committed to continuing its collaboration with key stakeholders and State regulators to maximize the development of sustainable water supplies in the San Fernando Valley. In addition, LADWP will evaluate all available options to ensure that environmental, wildlife habitat, and recreational needs of the City are balanced.

Secondly, the State of California's October 2024 adoption of the new Direct Potable Reuse (DPR) Regulations offer LADWP increased flexibility in how to utilize the GWR Project's 45 MGD of purified water. As originally conceived, a portion of the water will be used for groundwater replenishment (Indirect Potable Reuse or IPR) through facilities such as the Hansen Spreading Grounds, Tujunga Spreading Grounds, and/or injection wells. However, in full alignment with the new DPR Regulations, another portion could be used as a raw water supply augmenting flows into the Los Angeles Aqueduct Filtration Plant. This flexibility will allow LADWP to maximize the utilization of the GWR Project under dry or wet hydrology. Figure 3 below depicts these options to achieve full utilization of the GWR Project's 45 MGD of purified water under all hydrologic scenarios.

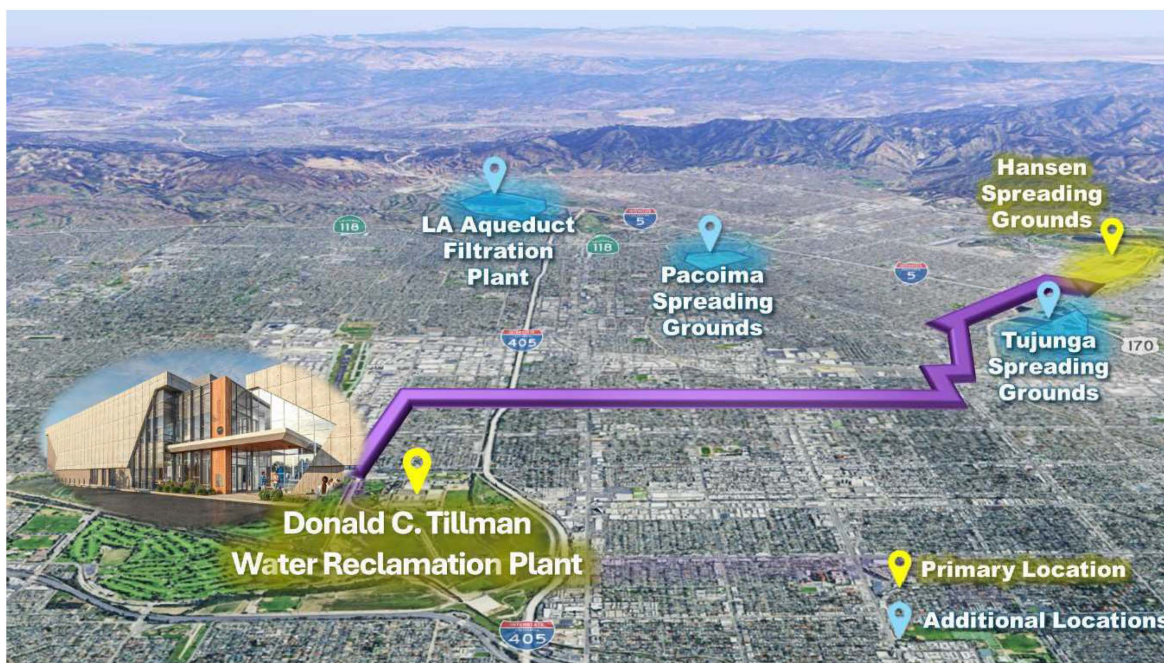


Figure 3: Strategies to Maximize the Utilization of Purified Water from the GWR Project

The GWR expansion will provide LADWP with a new sustainable local water supply that is cost effective (nearly half the price of desalination), leverages the existing construction efforts, and can be completed prior to the 2028 Los Angeles Olympics.

Lastly, as articulated by stakeholders during the Joint Board Meeting, taking steps now to treat and purify additional wastewater closer to the source will reduce the need for long distance larger diameter conveyance, diminish greenhouse gas emissions, and allow for faster attainment of new sustainable local water supplies for the City.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's (CAO) Report was approved on August 21, 2025.

ENVIRONMENTAL DETERMINATION

Determine that the item complies with California Environmental Quality Act (CEQA) Guidelines Sections 15080–15097, based on the previously adopted Environmental Impact Report (EIR). In accordance with CEQA, an EIR was prepared to evaluate and disclose the potential environmental impacts associated with the construction and operation of the Groundwater Replenishment Project. On December 6, 2016, the Board certified the EIR; adopted the Mitigation Monitoring and Reporting Program, Findings of Fact and Statement of Overriding Considerations; and approved the Project.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution and Agreement as to form and legality.

ATTACHMENTS

- Resolution
- Amendment No. 1 to Agreement WR-24-1000
- Agreement WR-24-1000
- CAO Report