AGREEMENT FOR RECYCLED WATER RETROFIT FUNDING BY AND BETWEEN EASTERN MUNICIPAL WATER DISTRICT,

THE CITY OF MENIFEE

This Agreement is made as of <u>FEDMARY</u>, 2023 ("Effective Date"), by and between **EASTERN MUNICIPAL WATER DISTRICT**, a municipal water district organized and operating pursuant to Division 20 of the California Water Code ("EMWD"), and THE CITY OF MENIFEE ("Customer"), whose mailing address is 29844 Haun Road Menifee, CA 92584. EMWD and Customer are sometimes individually referred to herein as the "Party" and collectively as the "Parties."

RECITALS

WHEREAS, EMWD is committed to the efficient use of its valuable water supplies, including maximizing the beneficial use of recycled water in order to offset potable water use; and

WHEREAS, Customer owns real property located at **29629 La Ladera Rd, Menifee, CA 92584** ("**Site**"). The Site is adjacent to EMWD's recycled water distribution system. Customer currently irrigates the Site with domestic water purchased from EMWD; and

WHEREAS, EMWD owns and operates four regional reclamation facilities which generate recycled water and Customer desires to purchase such recycled water from EMWD for allowable, suitable non-potable uses, specifically, for landscape irrigation; and

WHEREAS, in order to implement Customer's use of recycled water, Customer must make modifications (retrofits) to its existing on-site irrigation system; and

WHEREAS, in recognition that the cost of retrofitting irrigation facilities from domestic to recycled water impedes the ability of some of EMWD's customers to comply with the requirements of EMWD's Recycled Water Guidelines, and in order to encourage conservation of water resources and provide a means for greater control over the use of recycled water, EMWD has established the "EMWD Recycled Water Retrofit Funding Program" (the "**Program**"); and

WHEREAS, under the terms of the Program, EMWD will reimburse Customers for approved costs of connecting to EMWD's recycled water distribution facilities and retrofitting its on-site irrigation system(s) as more thoroughly described herein; and

WHEREAS, following Customer's construction, Customer agrees to pay 75% of EMWD's then current potable water rate for the Site for a period not-to-exceed ten (10) years following connection and Customer's initial billing for recycled water; and

WHEREAS, Customer additionally acknowledges and agrees that any grant, or other, funding associated with the Site retrofit to recycled water that is offered or provided by the Metropolitan Water District of Southern California (MWD) shall be assigned to, or otherwise be the property of EMWD; and

WHEREAS, Customer desires that EMWD assist in Project completion by providing technical design assistance and the aforementioned funding pursuant to and in accordance with the Program; and

WHEREAS, Customer has executed a Notice of Intent dated **February 7th**, **2022** confirming its commitment to construct on-site irrigation modifications for purposes of purchasing EMWD supplied recycled water subject to EMWD's approval; and

WHEREAS, additionally, Menifee Union School District (MUSD) owns and operates Middle School #4 which is immediately adjacent to Customer's Site described herein; and

WHEREAS, the aforementioned School site was conditioned and constructed for recycled water use; and

WHEREAS, Customer has received an easement from MUSD for the purpose of installation and operation of irrigation facilities necessary to connect to EMWD's recycled water system and retrofit the Site to recycled water; and

WHEREAS, MUSD has agreed to install necessary irrigation facilities within said easement at a cost of \$21,217 with reimbursement from Program funding provided to MUSD by EMWD; and

WHEREAS, Customer agrees that total Program funding available to Customer will be less the \$21,217 reimbursed to MUSD as described above; and

WHEREAS, the purpose of this Agreement is to set forth the terms, conditions and financial considerations whereby EMWD will provide funding assistance to Customer; and whereby Customer will construct and install facilities necessary to connect and utilize EMWD supplied recycled water.

NOW, THEREFORE, in consideration of the recitals and mutual understanding of the Parties as herein expressed, EMWD and Customer agree as follows:

AGREEMENT

1. The Recitals set forth above are incorporated into and are a part of this Agreement.

2. EMWD, at its own expense, has completed a design and cost estimate, attached hereto and incorporated herein as **Exhibit A**, and Customer hereby acknowledges and agrees that it has reviewed and approved said design and estimate for implementation. EMWD further hereby approves Customer's bid and/or cost proposal for Customer's own construction of Site irrigation modifications for purposes of purchasing and accepting deliveries of EMWD supplied recycled water, attached hereto and incorporated herein as **Exhibit B**.

Customer shall procure all materials and services, where applicable, and complete construction of all required Site retrofits and improvements in accordance with Customer's own rules, regulations and requirements governing such acquisitions and work. Customer shall schedule and ensure completion of the Project such that Customer will initiate the use of recycled water no later than four (4) calendar months following the Effective Date of this Agreement.

The retrofitted system shall comply with all EMWD and regulatory requirements for the delivery and use of recycled water. In the event a change or modification to on-site recycled water system plans or designs is desired, Customer will request approval from EMWD, in writing, prior to any work performed.

2.1 As required by Title 22 of the California Code of Regulations, EMWD will perform cross connection and coverage testing. EMWD shall notify Customer two weeks prior to the cross connection test.

2.2 Customer shall make provisions for coordination between the contractor and EMWD to facilitate GPS asbuilting of the existing irrigation system and newly constructed elements including but not limited to; irrigation mainline, mainline components, irrigated area and point of connection sequence components.

3. **Funding Assistance.** EMWD hereby agrees to reimburse Customer for all direct and actual project costs and expenses as described in **Exhibit B** of this agreement up to **\$47,325.00**. Customer shall assemble and provide EMWD with evidence of such costs and expenses for reimbursement, not to exceed once per calendar month, throughout project construction. Such evidence shall include, but not be limited to bills, invoices, vouchers, statements, receipts or other documentation evidencing the amount expended, incurred, or due, and shall not include any costs incurred or payments made for work or material not in conformance with approved specifications or requirements or otherwise authorized by EMWD. Expenditures for reimbursement shall in no way include any costs related to Customer's general administration, management, or overhead. EMWD shall reimburse Customer for all approved project expenditures within thirty (30) calendar days following receipt and approval of Customer's monthly expense submittal.

4. <u>MWD Funding.</u> Customer hereby acknowledges and agrees that any grant, or other funding associated with the Site retrofit to recycled water contemplated herein that is offered or provided by or through the Metropolitan Water District of Southern California (MWD) shall be assigned to, or otherwise be the property of EMWD.

5. <u>Recycled Water Rates and Charges</u>. Following Project completion, Customer hereby agrees to initiate receipt of recycled water. For a period not-to-exceed ten (10) years following connection and Customer's initial billing for recycled water, EMWD shall charge Customer a rate for recycled water representing 75% of EMWD's then current charges for potable water, currently **\$1,225.13** per acre feet. Upon completion of the aforementioned term EMWD will adjust Customer's charges to the then current recycled water rate, currently **\$624.43** per acre feet.

6. **Books and Records.** Customer shall keep accurate books and records of the actual direct Project costs, and EMWD may require Customer to verify that the materials and labor for which reimbursements were made have been installed and performed as required by this Agreement. Customer shall allow EMWD's authorized representative(s) to examine and duplicate any records relevant to the verification of the actual direct Project costs, including without limitation all contract bids and invoices. Any changes that occurred during the course of construction shall be properly documented. Customer shall retain all Project records for three (3) years after the completion of the Project and shall provide any Project records to EMWD for its review, upon request.

7. <u>Compliance with Laws</u>. Customer shall comply with all applicable statutes, ordinances, rules and regulations, as may be amended from time to time, of EMWD and all federal, state, and local regulatory agencies pertaining to use of recycled water.

8. <u>System Maintenance</u>. Customer be solely responsible to own, operate and maintain its on Site irrigation system, including without limitation repairing and maintaining any items necessary to insure proper and ongoing system performance.

9. **Insurance.** Customer shall require any contractor performing installation services hereunder to provide and maintain insurance coverage in an amount and type mutually approved by EMWD and Customer, naming EMWD as "additionally insured".

10. <u>Indemnification</u>. Customer shall indemnify, defend, and hold harmless EMWD and its directors, officers, employees, and agents from and against any and all claims asserted or liability established for damages or injuries of any kind to any person or property, including damages to Customer's property or injury to Customer's directors, officers, employees, agents, or contractors, arising from or related to, or alleged to arise from or relate to, the acts or omissions of EMWD or Customer and its respective directors, officers, employees, agents, or contractors, in performing the work or services herein, including without limitation all expenses of investigating and defending against same.

11. General Provisions.

a. <u>Notice</u>. Any notice, payment, or instrument required or permitted to be given hereunder shall be deemed received upon personal delivery or 72 hours after deposit in any United States mail depository, first class postage prepaid, and addressed to the Party for whom intended, as follows:

If to EMWD:	Eastern Municipal Water District 2270 Trumble Road Perris, CA 92572-8300 Attention: General Manager
If to Customer:	The City of Menifee 29629 La Ladera Road Menifee, CA 92584 Attention: Margarita Cornejo

Either Party may change such address by notice given to the other Party as provided in this section.

b. <u>Non-Waiver</u>. EMWD shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by EMWD, and then only to the extent specifically set forth in writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event.

c. <u>Further Acts</u>. Each Party agrees to perform any further acts and to execute and delivery any documents which may be reasonably necessary to carry out the provisions of this Agreement.

d. Time of the Essence. Time is of the essence in the performance of this Agreement.

e. <u>Neutral Interpretation</u>. The provisions of this Agreement shall be construed as to their fair meaning, and not for or against any Party based upon any attribution to such Party as the source of language in question.

f. **<u>Binding Effect</u>**. This Agreement is binding upon, and inures to the benefit of, each Party hereto and its respective agents, employees, representatives, officers, directors, affiliates, assigns, and successors.

g. <u>No Third-Party Beneficiaries</u>. This Agreement is made solely for the benefit of the Parties hereto and their respective permitted successors and assigns, and no other person or entity shall have or acquire any right by virtue of this Agreement unless otherwise expressly agreed to by all the Parties hereto.

h. <u>Governing Law</u>. This Agreement shall be construed and interpreted in accordance with the laws of the State of California, excluding any choice of law provisions.

i. <u>Jurisdiction; Venue</u>. Any action taken to enforce this Agreement shall be maintained in the Superior Court of Riverside County, California. The Parties expressly consent to the jurisdiction of said court and agree that said court shall be a proper venue for any such action.

j. <u>Integration</u>. This Agreement contains the entire understanding between the Parties and supersedes any prior understanding and/or written or oral agreements between them respecting the subject matter of this Agreement. There are no representations, agreements, arrangements, or understandings, oral or written, by and between the Parties relating to the subject matter of this Agreement, which are not fully expressed herein. The terms of this Agreement are intended by the Parties as a final expression of their agreement with respect to such terms as are included herein, and may not be contradicted by evidence of any prior agreement or any contemporaneous agreement. The Parties further intend that this Agreement constitutes the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial proceeding involving this Agreement.

k. <u>Severability</u>. If any provision of this Agreement shall be invalid or unenforceable, either in its entirety or by virtue of its scope or application to given circumstances, such provision shall be deemed modified to the extent necessary to render the same valid, or as not applicable to given circumstances, or to be excised from this Agreement, as the situation may require, and this Agreement shall be construed and enforced as if such provision had been included herein as so modified in scope or application, or had not been included herein, as the case may be, it being the stated intention of the parties that had they known of such invalidity or unenforceability at the time of entering into this Agreement, they would have nevertheless contracted upon the terms contained herein, either including such provisions only to the maximum scope and application permitted by law, or excluding such provisions, as the case may be.

I. <u>Counterparts</u>. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached without impairing the legal effect of the signatures thereon, provided such signature page is attached to any other counterpart identical to the first counterpart except having signature pages executed by other parties to this Agreement attached thereto.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date.

EASTERN MUNICIPAL WATER DISTRICT By Joe Mouawad, P.E General Manager 23 Dated:

CUSTOMER

By: Unper

Dated 2/11/2023

EMWD - ACCELERATED RECYCLED WATER RETROFIT PROGRAM

La Ladera Park, Menifee, CA

W/O #: 77609 DESCRIPTION: On-Site Landscaping

GRAND TOTAL

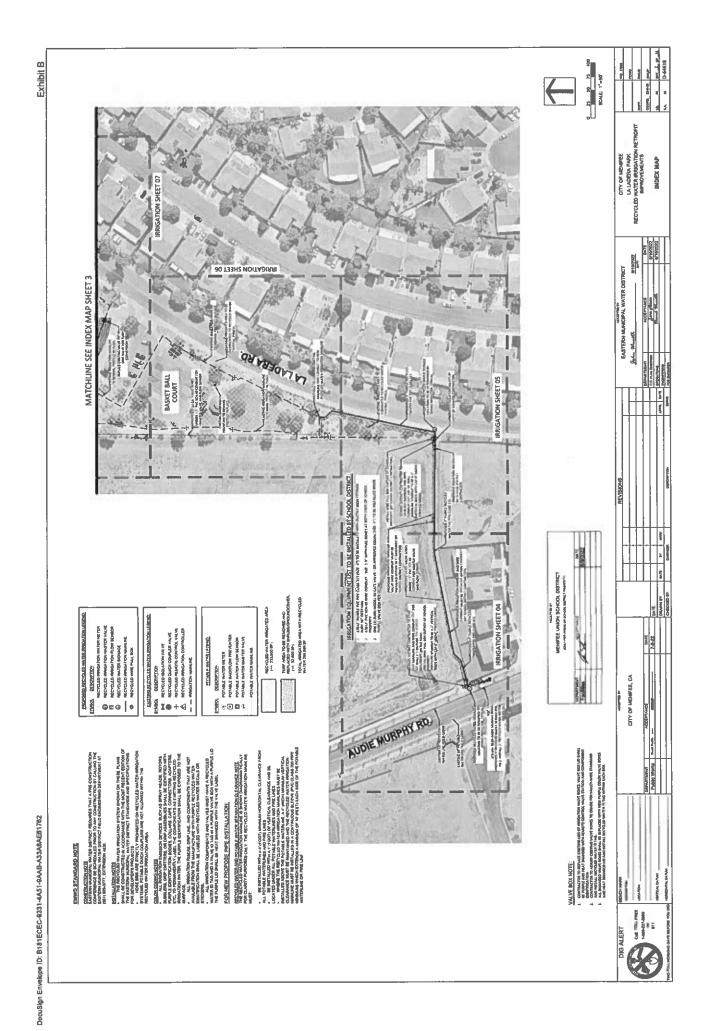
DATE: 6/25/2022 Engineer's Estimate

TEM NO,	ITEM DESCRIPTION	UNIT	ESTIMATED QUANTITY	U	INIT COST		AMOUNT	
1	Install new 2" Recycled water meter per EMWD standards PB-10. Water meter will be provided by EMWD	EA	1	\$	500.00	\$	500.00	
2	Provide and install Nelson 7645 (1") quick coupler valve with acme thread and purple locking cover	EA	1	\$	350.00	\$	350.00	
3	Provide and install Yardney strainer MCS3-1. To be installed above ground with stainless steel enclosure per manufacturer standard and details	EA	1	\$	4,000.00	\$	4,000.00	
4	Provide and install Griswold 2030 epoxy coated normally closed master valve (size:2") per detail. Run wires to existing irrigation controller location	EA	1	\$	1,000.00	\$	1,000.00	
5	Provide and install Calsense flow sensor (Size:2"). Install per detail. Run wires to existing irrigation controller	EA	1	\$	800.00	\$	800.00	
6	Provide and install 1" ball valve inside round purple valve box	EA	1	\$	350.00	\$	350.00	
7	Provide and install 4" Class 315 PVC purple recycled water irrigation mainline (bury 24" min. deep) and connect to existing irrigation POC as shown on plan.	LF	380	\$	30.00	\$	11,400.00	
8	Provide and install 14GA. Valve wires for master valve and P7162D Paige cable for flow sensor inside 1.5" PVC Sch.40 conduit and connect to existing controller. Install pull box at 150" O.C. or at any change in direction.	LF	1,280	\$	5.00	\$	6,400.00	
9	Provide and install recycled water signage per EMWD standards	EA	9	\$	150.00	\$	1,350.00	
10	Cut and cap existing irrigation mainline-provide a minimum of 4ft separation. Remove unused pipe.	EA	1	\$	800.00		800.00	
11	Replace existing quick coupler with Nelson 7645 (1") quick coupler valve with acme thread and purple locking cover. Install new purple valve box per detail.	EA	6	\$	350.00	\$	2,100.00	
12	Replace all existing irrigation valve boxes and lids with purple recycled water and label accordingly.	EA	63	\$	150.00	\$	9,450.00	
13	Existing domestic irrigation water meter to be removed (By Others)	EA	2			\$	-	
14	Existing backflow preventer to be removed. Cut and cap existing line. Remove all unused pipe.	EA	2	\$	800.00	\$	1,600.00	
15	Remove existing master valve and flow sensor. Cut and cap mainline.	EA	2	\$	800.00	\$	1,600.00	
16	Provide and install Nibco T-113 Gate Valve (Mainline size). To be installed per detail.	ΕA	1	\$	350.00	\$	350.00	
17	Provide and install 6" wide concrete mow curb.	LF	200	\$	8.00	\$	1,600.00	Refer t Turf Remo
18	Replace existing valve and install new drip valve Hunter ICV-101G-R with Rain Bird QKCHK-100. To be install inside purple valve box. Install per City detail.	EA	4	\$	450.00	\$	1,800.00	
19	Plant 1 gallon shrub / ground cover (6 ft. O.C) and cover with mulch. Plant typy per the City's direction.	LS	1	\$	6,000.00	\$	6,000.00	Refer to Turf Remo
20	Provide purple cap for recycled water identification to all existing overhead irrigation rotor / spray system.	LS	1	\$	6,000.00	\$	6,000.00	
21	Remove existing turf per City's direction	SF	32,000	\$	0.15	\$	4,800.00	Refer to Turf Remove
22	Provide and install 3" thick wood mulch.	SF	32,000		0.25	\$	8,000.00	Refer t Turf Remo
23	Install new drip emitter IH-12-20-CV-R flexible IH riser with 2 GPH single point emitter per shrub and 4 (four) bubblers for each existing tree. Install per detail.	EA	1,027	\$	10.00	\$	10,270.00	Refer t Turf Remo
24	Provide and install 1 gallon shrub/graoundcover per City Diretciton (Contractor shall match existing irrigation and replace with existing plant pallet)	EΑ	1,027		10.00	\$	10,270.00	Refer Turf Remo
-	Retrofit Subtotal			+		\$	49.850.00	
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26	MOBILIZATION (ALL PREVIOUS ITEMS) [@ 10%]	LS	1	\$	9,079.00	\$	9.079.00	
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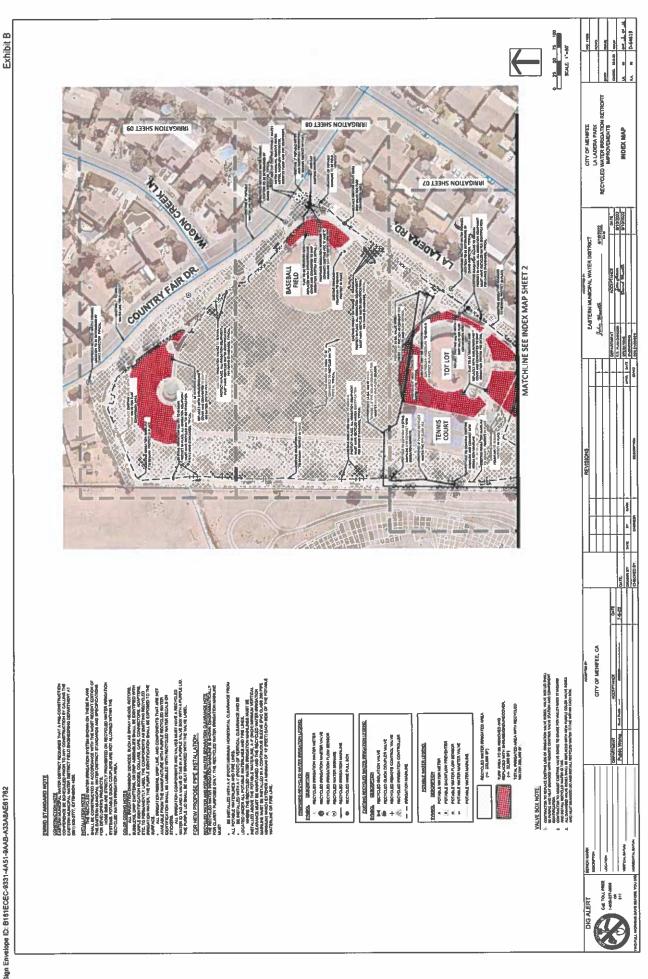
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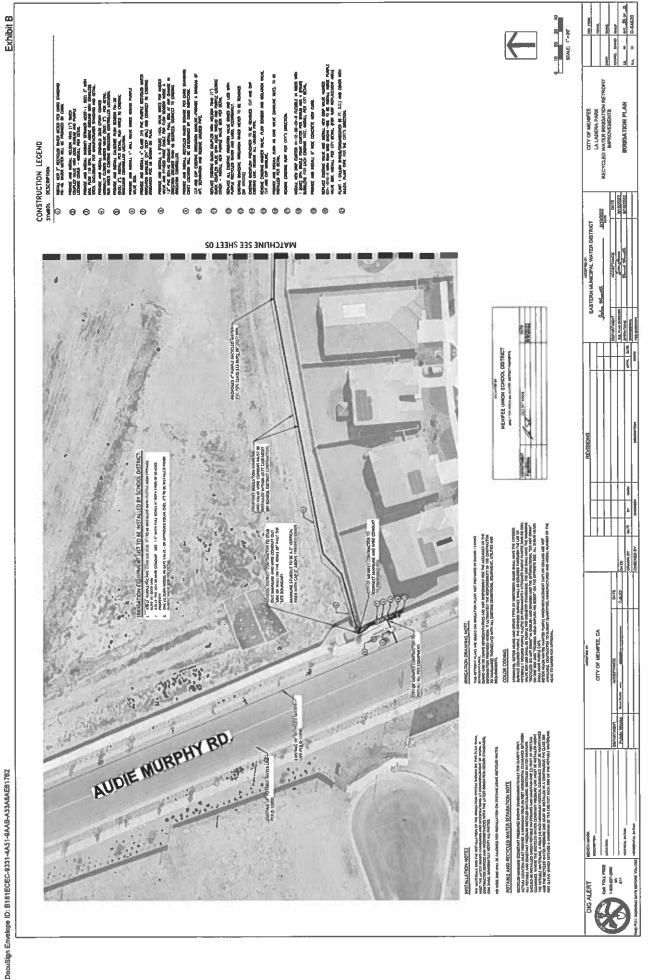
Exhibit A

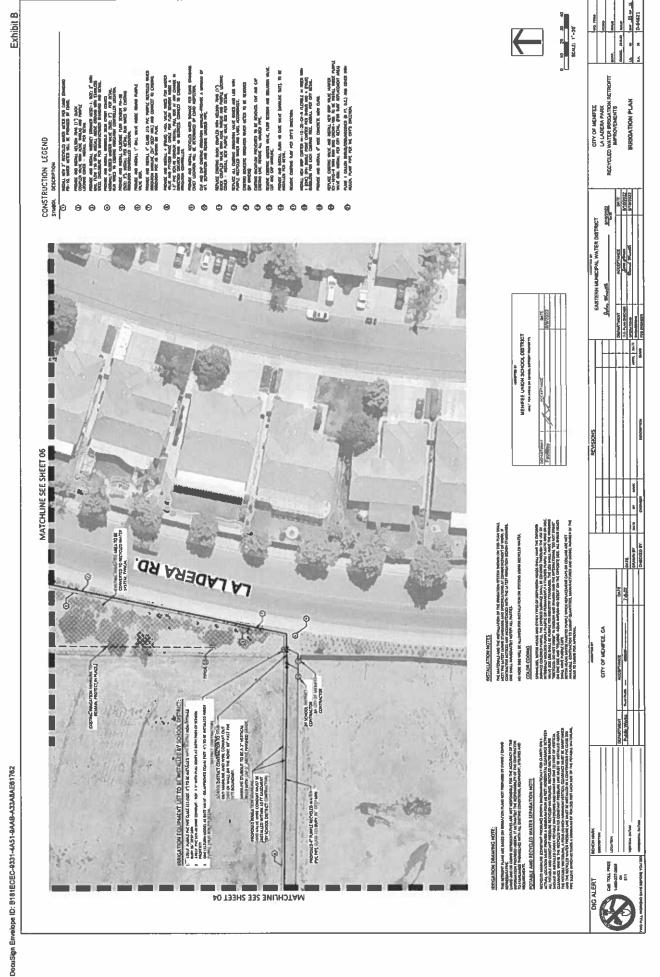
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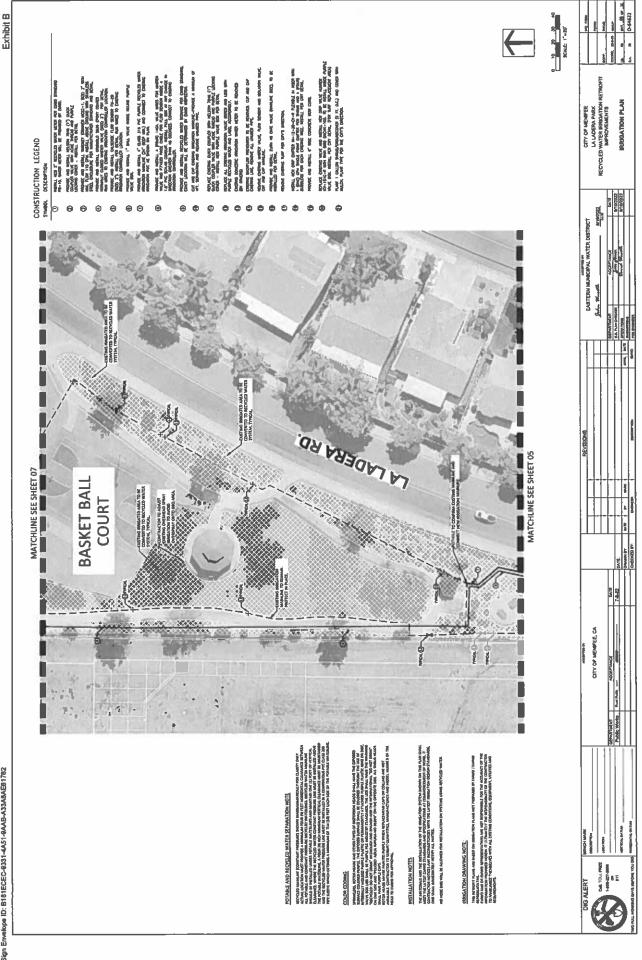




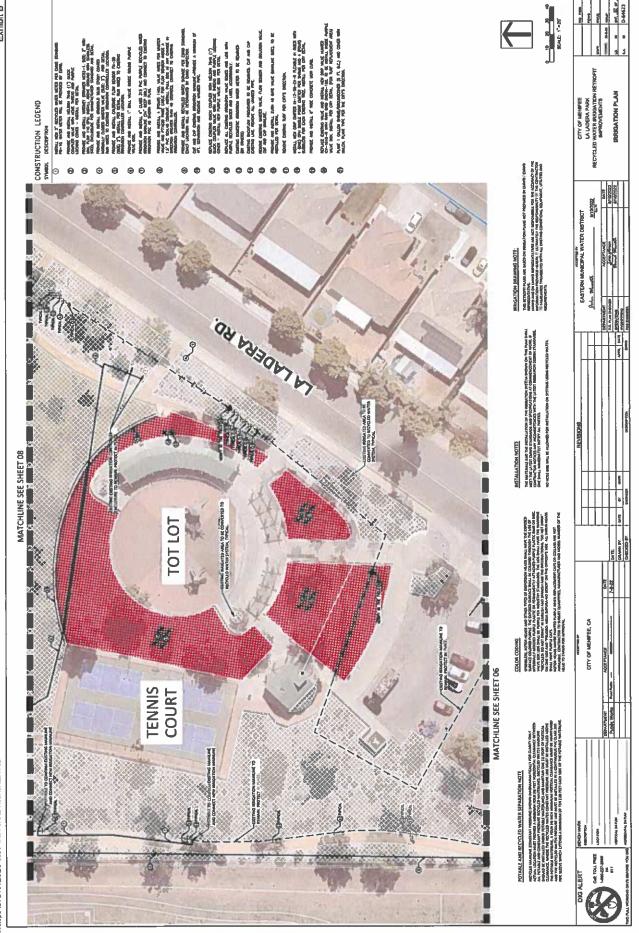






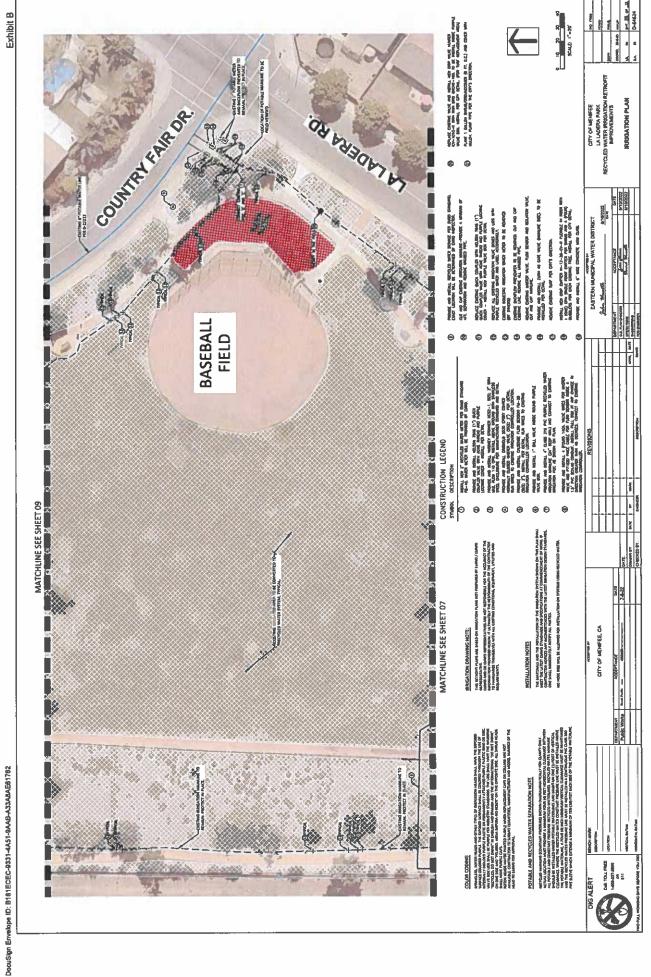


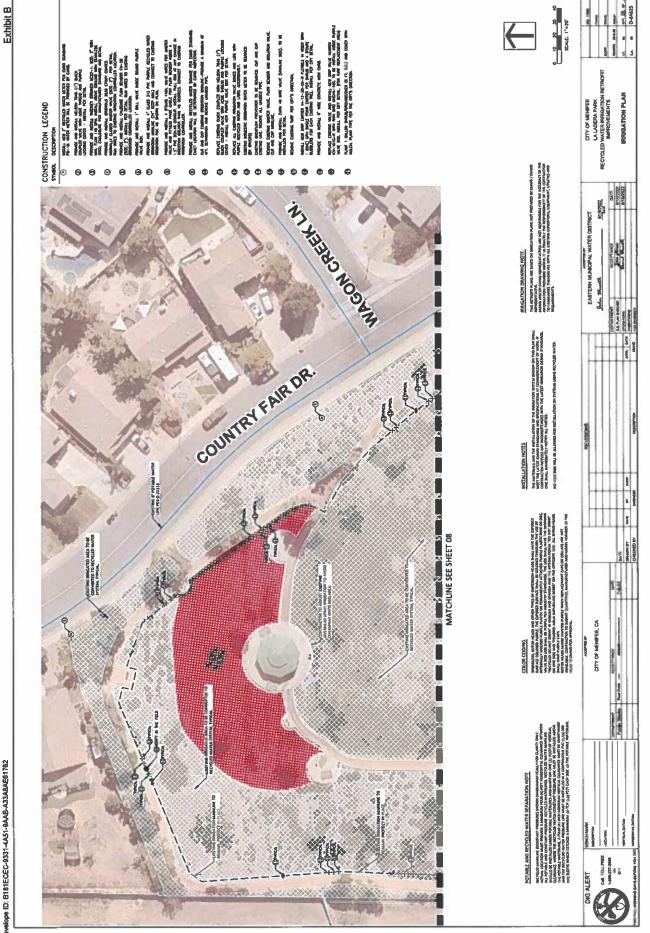
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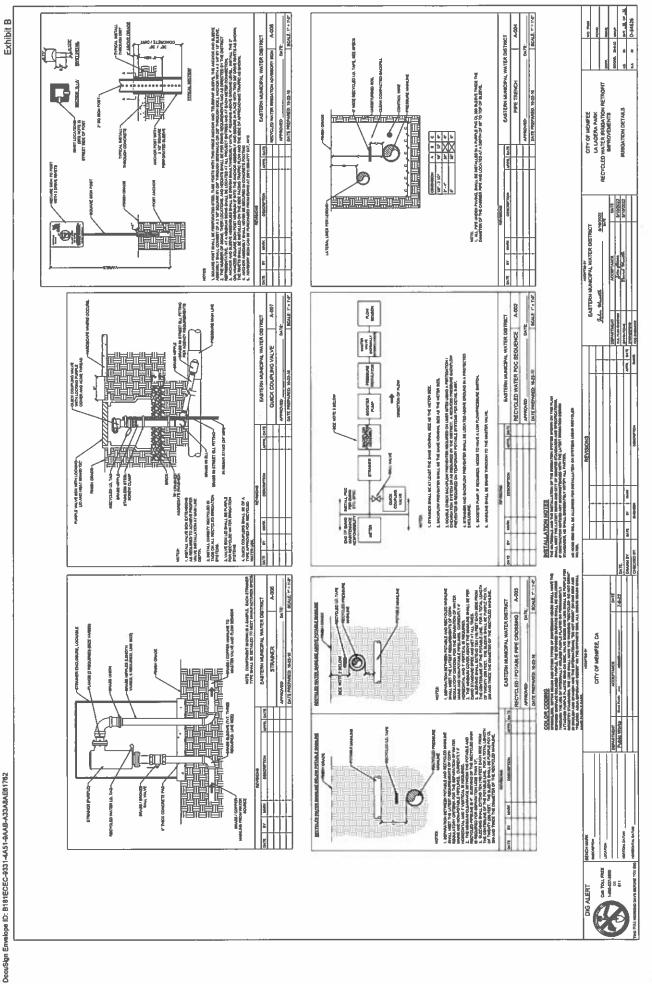
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Exhibit B





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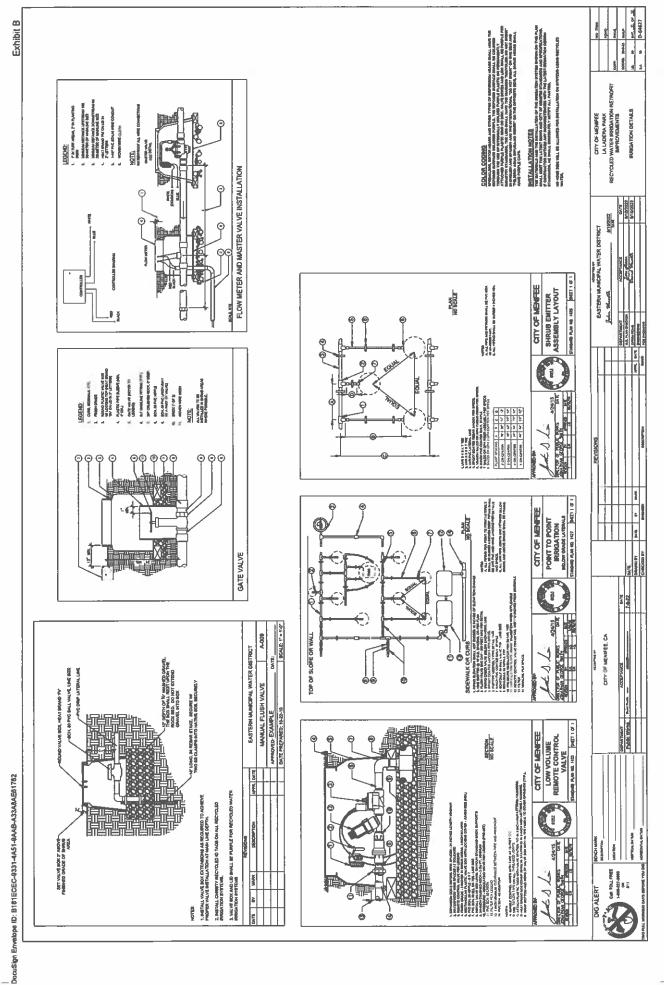


Exhibit B

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ITEM NO.	M NO. ITEM DESCRIPTION		ESTIMATED QUANTITY	Unit Price	Extension
	Recycled Water Installation				
1	Contractor to install 2' Recycled water meter per EMWD standards. Water meter provided by EMWD (Labor only)	EA	1	500	500
2	Provide and install Nelson 7645 (1") quick coupler valve with acme thread and purple EA 1		350	350	
3	Provide and install Yardney strainer MCS3-1. To be installed above ground with stainless steel enclosure per manufacturer standard and details		4000	4000	
4	Provide and install Griswold 2030 epoxy coated normally closed master valve (size:2") per detail. Run wires to existing irrigation controller location	EA	1	1000	1000
5	Provide and install Calsense flow sensor (Size:2"). Install per detail. Run wires to existing irrigation controller	EA	1	800	800
6	Provide and install 1" ball valve inside round purple valve box	EA	EA 1		200
7	Provide and install 4" Class 315 PVC purple recycled water irrigation mainline (bury 24" min. deep) and connect to existing irrigation POC as shown on plan.	LF	380	30	11400
8	Provide and install 14GA. Valve wires for master valve and P7162D Paige cable for flow sensor inside 1.5" PVC Sch.40 conduit and connect to existing controller. Install pull box at 150" O.C. or at any change in direction.	LF	1,280	5	6400
9	Provide and install recycled water signage per EMWD standards	EA	9	150	1350
10	Cut and cap existing irrigation mainline-provide a minimum of 4ft separation. Remove unused pipe.	EA	1	500	500
11	Replace existing quick coupler with Nelson 7645 (1") quick coupler valve with acme thread and purple locking cover. Install new purple valve box per detail.	EA	6	250	1500
12	Replace all existing irrigation valve boxes and lids with purple recycled water and label accordingly.	EA	63	150	9450
13	Existing backflow preventer to be removed. Cut and cap existing line. Remove all unused pipe.	EA	2	400	800
14	Remove existing master valves, flow sensors and water meters. Cut and cap mainlines.	EA	2	400	800
15	Provide and install Nibco T-113 Gate Valve (Mainline size). To be installed per detail.	EA	1	250	250
16	Repair/Replace all irrigation where damaged from the 380' 4" mainline installation	LS	1	1000	1000
17	Replace existing valve and install new drip valve Hunter ICV-101G-R with Rain Bird QKCHK-100. To be install inside purple valve box. Install per City detail.	EA	4	250	1000
18	Provide purple cap for recycled water identification to all existing overhead irrigation rotor / spray system.	LS	1	6000	6000
	Recycled Water Installation				Total
					\$47,325



Recycled Water Installation Total \$47,325

Total Project Price in Digits: \$_47,325____

Total in words: Forty-seven thousand three hundred twenty five

City of Menifee Cost Proposal for in house installation for the La Ladera Retrofit Program. Costs include parts and labor. This project is located at La Ladera Park, 29629 LA Ladera Rd.





CITY OF MENIFEE

SUBJECT:	Recycled Water Accelerated Retrofit Program at La Ladera Park
MEETING DATE:	February 2, 2022
TO:	Mayor and City Council
PREPARED BY:	Bryce Howell, Park/Landscape Maintenance Manager
REVIEWED BY:	Jonathan Nicks, Community Services Director
APPROVED BY:	Armando G. Villa, City Manager

RECOMMENDED ACTION

- 1. Authorize participation in the Eastern Municipal Water District's (EMWD) Recycled Water Accelerated Retrofit Program (ARP) for La Ladera Park; and
- 2. Authorize the City Manager to execute the necessary documents to participate in EMWD's Recycled Water ARP, including but not limited to, the Notice of Intent and Contact Form; and
- Authorize the City Manager to approve participation in future recycled water projects under the Recycled Retrofit Water ARP as identified by EMWD and City staff to the benefit of the City.

DISCUSSION

The City of Menifee maintains close to 200 acres of parkland and right of way landscaping combined. A little more than 80% of the landscape is watered using recycled water with the remaining landscape using potable water. As the City of Menifee grows, the amount of water being used exponentially increases. To conserve water for the residents of Menifee, Eastern Municipal Water District (EMWD) has been a leading source for recycled water use since the 1960's. In 1991, EMWD received funding through the U.S. Bureau of Reclamation to develop a recycled water backbone transmission system, which helped start the expansion of EMWD's ability to deliver recycled water to its growing customer base. About 75% of EMWD's recycled water production is sold to agricultural, irrigation, landscaping, and industrial customers including the City of Menifee.

EMWD reached out to City staff regarding their Recycled Water Accelerated Retrofit Program (ARP) and specifically identified the possibility of retrofitting La Ladera Park from potable water to recycled water. La Ladera Park is an eight-acre park and is the largest park the City maintains

Menifee Mayor and City Council

February 2, 2022 Page 112 of 245 City of Menifee Staff Report ARP - La Ladera Park February 2, 2022 Page 2 of 2

on potable water. Switching the landscape to be irrigated by recycled water would not only help the City conserve potable water but would also save the City financially as the cost of recycled water is one third the cost of the potable water.

With the authorization to participate in ARP, the City would formally sign a Notice of Intent (NOI) form that establishes deadlines and defined responsibilities for EMWD who would lead the project with the support of City staff. The associated project would impact irrigation only, while drinking fountains and restrooms would remain a part of the potable water system. Upon authorization to proceed, EMWD would provide support services including permitting, technical design, and a recycled water meter at no cost to the City.

Once the survey and design have been completed, in accordance with City purchasing policy, the City would take the completed plans and issue a Notice Inviting Bids for the construction of this project. Upon the identification of the lowest responsive bidder, EMWD would create a funding agreement to reimburse the City for the cost of the entire construction project. Both the construction contract and EMWD's funding agreement would be presented to City Council for consideration.

Up to \$5,000 per acre foot, per year of potable water usage (based on average use over the past three years) would be provided by EMWD. This funding covers costs associated with retrofitting of on-site landscape and irrigation systems. Following the completion of the on-site work, the City would receive a reduced rate of 75% of the current potable water rates for ten years until the cost of the project is paid back in full, at which point the City would then be placed at the current recycled water rate. Ultimately, the City would have an upgraded irrigation system using reclaimed water and realize an instant cost savings of 25% of its regular water bill for the next ten years.

STRATEGIC PLAN OBJECTIVE

Livable and Economically Prosperous Community

FISCAL IMPACT

There is no fiscal impact associated with this recommendation as there are no costs for program participation. Once the site survey and design have been completed, an estimated cost proposal would be used to bid out the construction project and a construction contract for the lowest responsive bidder and a funding agreement from EMWD to reimburse the City for the entire cost upon completion of the project, will be presented to City Council for consideration.

ATTACHMENTS

1. EMWD Recycled Water Accelerated Retrofit Program Information Packet