



MARK PESTRELLA, Director

## COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone (626) 458-5100  
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

# ADOPTED

IN REPLY PLEASE  
REFER TO FILE

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

September 16, 2025

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

38 September 16, 2025

EDWARD YEN  
EXECUTIVE OFFICER

Dear Supervisors:

**WATER RESOURCES CORE SERVICE AREA  
LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 29, MALIBU  
FEASIBILITY STUDY EVALUATING THE USE OF  
OFFSHORE DESALINATION TECHNOLOGY  
(SUPERVISORIAL DISTRICT 3)  
(3-VOTES)**

### SUBJECT

Public Works is seeking Board approval to authorize the Director of Public Works to sign a Letter of Intent and a Cooperative Funding and Reimbursement Agreement with Las Virgenes Municipal Water District, et al. This agreement will allow cost-sharing and participation in a technical review committee for a comprehensive feasibility study evaluating OceanWell's offshore desalination technology to support infrastructure development and market strategies for delivering sustainable, climate-resilient water supplies to State Water Project-dependent agencies, including Los Angeles County Waterworks District No. 29, Malibu.

**IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 29, MALIBU:**

1. Find that participation in the OceanWell's Water Farm No. 1 Feasibility Study is exempt from the California Environmental Quality Act for the reasons stated in this Board letter and in the record of the proposed feasibility study.
2. Approve and authorize the Director of Public Works or his designee to sign the Letter of Intent for the feasibility study to evaluate the potential use of offshore desalination technology.
3. Approve and authorize the Director of Public Works or his designee to sign the Cooperative

Funding and Reimbursement Agreement, committing to participation in the Technical Review Committee and a financial contribution toward the study, with an equal contribution of \$12,500 from each participating agency (including Los Angeles County Waterworks District No. 29, Malibu) for a total study cost of \$100,000.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to facilitate the participation of Los Angeles County Waterworks District No. 29, Malibu, in a collaborative feasibility study to evaluate the potential impacts and benefits of utilizing OceanWell's subsea desalination technology as part of the proposed Water Farm No. 1 concept. This is a planning-level effort only and does not involve the implementation of a physical project. The study is intended to inform future decisions that could help address regional water scarcity and enhance long-term water supply reliability for agencies dependent on the State Water Project.

The comprehensive feasibility study will assess the technical, environmental, economic, and regulatory considerations associated with the proposed concept. The effort aligns with the County's goal of exploring innovative sustainable water supply solutions that meet or exceed the California Department of Drinking Water standards. The study will examine two primary delivery scenarios for desalinated water.

The first scenario will evaluate the feasibility of constructing infrastructure to convey desalinated water directly to coastal agencies, including Waterworks District No. 29, Calleguas Municipal Water District, Las Virgenes Municipal Water District, and Los Angeles Department of Water and Power.

The second scenario will assess the viability of exchange-based strategies to deliver desalinated water indirectly to inland agencies, such as Upper San Gabriel Valley Municipal Water District, Three Valleys Municipal Water District, City of Burbank Department of Water and Power, and Santa Clarita Valley Water Agency, through coordinated water resource management.

Both scenarios will be evaluated solely within the context of the feasibility study. The intent is to provide a planning framework that maximizes the potential benefits of subsea desalination and supports informed future decision-making by all participating agencies, including Waterworks District No. 29.

## **Implementation of Strategic Plan Goals**

These recommendations support the County Strategic Plan: North Star 2, Foster Vibrant and Resilient Communities, Focus Area Goal D, Sustainability, Strategy i, Climate Health, and Strategy iv, Environmental Justice, by advancing efforts to modernize infrastructure and explore innovative desalination technology to address water scarcity, mitigate climate change, and build climate-resilient communities. The initiative promotes sound and sustainable practices, creating coordinated funding partnerships that ensure access to clean water—particularly in communities that have faced environmental challenges while protecting precious water resources essential to the quality of life for County residents.

## **FISCAL IMPACT/FINANCING**

There will be no impact to the County General Fund.

The total cost of the feasibility study is not to exceed \$100,000, divided equally among the eight participating agencies per the Cooperative Funding and Reimbursement Agreement. The Waterworks District No. 29's share of the cost is \$12,500.

Funding is available in the Waterworks District No. 29 General Fund (N32 – Services and Supplies) Fiscal Year 2025-26 Budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

OceanWell's Water Farm No. 1 Feasibility Study is a non-physical planning-level study involving multiple agencies, including Waterworks District No. 29. The study will assess the feasibility of subsea desalination technology to enhance long-term regional water supply reliability. The recommended actions will enable Waterworks District No. 29 to participate in this collaborative study effort through cost-sharing and representation on a technical review committee. Participation in this study does not involve any construction or commitment to a physical project but is intended to inform future planning and potential strategies for delivering sustainable, climate-resilient water supplies to State Water Project-dependent agencies.

The participating agencies have prepared a Cooperative Funding and Reimbursement Agreement (Enclosure B), which sets forth the responsibilities and financial commitments of each agency toward the feasibility study. The Letter of Intent (Enclosure A) formalizes the agencies' commitment to evaluating the feasibility of delivering desalinated water to their respective service areas through existing and new infrastructure. It outlines the mutual understanding that this study will not have any legally binding effect on future actions, allowing for the agencies to explore the potential benefits and impacts without obligating them to any subsequent decisions.

The Cooperative Funding and Reimbursement Agreement and the Letter of Intent have been reviewed and approved as to form by County Counsel.

### **ENVIRONMENTAL DOCUMENTATION**

The feasibility study and recommended actions are related to a planning activity without any legally binding effect on later activities and are exempt from the California Environmental Quality Act pursuant to Section 15262 of the California Environmental Quality Act Guidelines and California Code of Regulations.

This exemption allows Waterworks District No. 29 and the other agencies to consider environmental factors during the study phase while preserving flexibility for future decisions. The Cooperative Funding and Reimbursement Agreement and the Letter of Intent together ensure that all agencies collaborate effectively and foster a comprehensive evaluation of this innovative water supply solution.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There will be no negative impact on current County services or projects as a result of these actions.

**CONCLUSION**

Please return an adopted copy of this Board letter to Public Works, Waterworks Division.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark Pestrella". The signature is fluid and cursive, with the first name "Mark" written in a larger, more prominent script than the last name "Pestrella".

MARK PESTRELLA, PE

Director

MP:CTH:jc

Enclosures

c: Auditor Controller  
Chief Executive Office (Christine Frias)  
County Counsel  
Executive Office, Board of Supervisors

## Letter of Intent

February 10, 2025

Los Angeles County Waterworks District No. 29, Malibu  
Attn: Bill Johnson, Senior Engineer  
23533 W. Civic Center Way  
Malibu, CA 90265

**Subject: Letter of Intent for an On-shore Engineering and Feasibility Study with regard to Delivery of Offshore Desalination Product Water**

To Whom It May Concern:

This Letter of Intent (LOI) is made and entered into on this date by and among the Las Virgenes Municipal Water District (LVMWD), City of Burbank Department of Water and Power; City of Los Angeles Department of Water and Power; Calleguas Municipal Water District; Los Angeles County Waterworks District No. 29, Malibu; Santa Clarita Valley Water Agency; Upper San Gabriel Valley Municipal Water District; and Three Valleys Municipal Water District (hereinafter referred to as the "Parties"). The Metropolitan Water District of Southern California (MWDSC) and OceanWell Water will participate in the activities of the parties to support their efforts but will not be a party to the LOI.

**Background:** Recognizing the increasing need for sustainable and reliable water sources that are climate change resilient, the Parties acknowledge the potential of innovative, energy-efficient, and environmentally friendly desalination technologies to supplement existing water supplies, address regional water scarcity, and support regional water resilience. Various companies are developing low-footprint offshore desalination facilities that would produce desalinated water that meets or exceeds California Department of Drinking Water regulations ("product water") and deliver it to the shoreline, at which point it would be the water agencies' responsibility to either deliver the product water into the agencies' water distribution systems or through a future indirect exchange regional market.

**Purpose:** The purpose of this LOI is to express the Parties' mutual intent to participate in a collaborative effort to evaluate the feasibility, impacts, and benefits of utilizing existing infrastructure and building new infrastructure to deliver product water from the shoreline to agencies' respective service areas.

For the purposes of this study, specific information, water quality data, and onshore interface from the proposed OceanWell Water, Water Farm #1, located 4.5 miles off the coast of Malibu, will be used. However, information gathered from each participating agency and various recommendations developed for infrastructure improvements and regional water supply market development could be applicable to alternative ocean desalination technologies, depending on their cost and availability.

It is anticipated that some of the Parties would receive product water directly, while other Parties would be most economically served by an indirect water exchange market. This study will focus on the facilities engineering component for the direct delivery of product water through existing and new infrastructure; analysis of indirect demands and regulatory framework for a regional exchange market to inland public water suppliers will also be studied. The facilities engineering portion of the study will evaluate technical, environmental, economic, and regulatory aspects to ensure a thorough assessment of the delivery alternatives from the shoreline to the service areas of the Parties.

LVMWD will be the Project Manager, contracting directly with the consulting firm engaged to perform the study, with input and agreed upon financial contributions from the other Parties.

**Scope of the Facilities Study:** The facilities study will be high-level and include, but not be limited to the following components:

1. **Estimated Demand:** To size facilities, estimate product water demands from direct and indirect participants:
  - a. the demand for direct deliveries
  - b. the capacity of direct-delivery participants to receive exchange water, above their estimated direct deliveries, to determine the maximum volume of product water that could be exchanged
2. **Technical Assessment:** Evaluate and identify equipment, potential locations, and the technological feasibility and operational requirements of delivering water from the shoreline to Parties' service areas, including existing and potential future interconnections between Parties' distribution systems.
3. **Environmental Impact Analysis:** Identify potential environmental implications, future studies needed and coastal zone considerations.
4. **Economic Evaluation:** Estimate planning-level capital costs of new infrastructure and operational costs of the various alternatives identified in the technical assessment and conduct a cost-benefit analysis of alternatives.
5. **Regulatory Compliance:** Review and identify applicable regulations, permits, and compliance requirements at local, state, and federal levels.
6. **Water Quality and Supply Integration:** Develop basic concepts for the onshore facilities required for the disinfection and conditioning of product water prior to distribution. This Study will also include an evaluation of the impact of product water quality to existing distribution systems, including, but not limited to, pipelines, pumps and private service lines and faucets.

A detailed Scope of Work is attached to this LOI.

**Agreement of the Parties:** The Parties agree to contribute the necessary funding for an engineering and feasibility study. The total cost of the study is estimated to be \$100,000, divided equally among the Parties. The Parties also agree to share technical data as necessary and consistent with the applicable Party's rules, regulations and policies, participate in joint meetings, and collaborate on research and analysis efforts as staffing and resources of the Party permit.

**Timeline:** The Parties agree to establish a joint working group within 30 days of signing this LOI to develop a detailed project plan, including milestones and timelines for the completion of the facilities engineering and feasibility study. The study is expected to be completed within six months, subject to adjustments as mutually agreed upon by the Parties.

**Non-Binding Nature:** This LOI is intended to outline the mutual understanding and intentions of the Parties with respect to the facilities engineering and feasibility study. It does not constitute a legally binding agreement or a commitment to any project but serves as a framework for cooperation and collaboration. Any future binding agreements (such as a Joint Powers Agreement or Water Purchase Agreements) will be subject to further negotiation and formalization, environmental analysis and requirements including under the California Environmental Quality Act, and the approval of the Parties' respective governing bodies.

**Contact Information:** For further information or to discuss this LOI, please contact the designated representatives of the Parties:

- **Las Virgenes Municipal Water District:** David W. Pedersen, General Manager, (818) 252-2122
- **City of Burbank, Department of Water and Power:** Richard Wilson, Assistant General Manager, (818) 238-3558
- **City of Los Angeles, Department of Water and Power:** Dave Pettijohn, Director of Water Resources, (213) 367-0899
- **Calleguas Municipal Water District:** Kristine McCaffrey, General Manager, KMcCaffrey@calleguas.com; (805) 526-9323
- **Los Angeles County Waterworks District No. 29:** William Johnson, Senior Engineer, (626) 703-6500
- **Santa Clarita Valley Water Agency** Stephen L. Cole, Assistant General Manager, (661) 297-1600
- **Upper San Gabriel Valley Municipal Water District:** Tom Love, General Manager, (626) 443-2297

*[signature page to follow]*

**Acknowledgement:** By signing below, we agree to share equally in the cost of the On-shore Facilities Engineering and Feasibility Study with regard to Delivery of Offshore Desalination Product Water and participate in a technical review committee, as described in this LOI.

\_\_\_\_\_  
David W. Pedersen, General Manager  
Las Virgenes Municipal Water District

\_\_\_\_\_  
Date

\_\_\_\_\_  
Richard Wilson, Assistant General Manager  
City of Burbank

\_\_\_\_\_  
Date

\_\_\_\_\_  
Dave Pettijohn, Director of Water Resources  
City of Los Angeles, Department of Water and Power

\_\_\_\_\_  
Date

\_\_\_\_\_  
Kristine McCaffrey, General Manager  
Calleguas Municipal Water District

\_\_\_\_\_  
Date

\_\_\_\_\_  
William Johnson, Senior Engineer  
Los Angeles County Water District 29

\_\_\_\_\_  
Date

\_\_\_\_\_  
Stephen L. Cole, Assistant General Manager  
Santa Clarita Valley Water Agency

\_\_\_\_\_  
Date

\_\_\_\_\_  
Tom Love, General Manager  
Upper San Gabriel Valley Municipal Water District

\_\_\_\_\_  
Date





July 10, 2024

John Zhao, PE  
Former Director of Facilities and Operations  
Las Virgenes Municipal Water District

Via email: [JZhao@lvmwd.com](mailto:JZhao@lvmwd.com)

**Subject:** Proposal for Ocean Well On-Shore Infrastructure Concept Study

Dear John,

HDR proposes to study concepts for the on-shore pipeline, pumping, and other water facilities needed to receive and distribute water from Ocean Well Water Farm No. 1 (WF1). WF1 would be an ocean desalination facility located approximately 4.5 miles off the coast of Malibu. The study is intended to be a high-level analysis; the first of many studies needed to plan the project.

The study will examine several alternatives for the on-shore water facilities, taking into consideration the capacities of existing pipelines, the planned production capacities of WF1, compliance with drinking water standards, costs, and environmental constraints.

The work described in the attached scope of work (Exhibit A) will be performed in accordance with the terms and conditions of a mutually acceptable agreement. Work will be invoiced on a time-and-materials basis. The fee shown in the attached Fee Estimate will not be exceeded, unless authorized in writing by the District.

HDR appreciates the opportunity to provide this proposal. If there are any questions, please contact Dan Ellison ([Dan.Ellison@HDRinc.com](mailto:Dan.Ellison@HDRinc.com); 213.200.5152)

Sincerely,  
HDR Engineering, Inc.

A handwritten signature in blue ink, reading 'Anna Lantin'.

Anna Lantin, PE  
Vice President

A handwritten signature in blue ink, reading 'Dan Ellison'.

Dan Ellison, PE  
Project Manager

Attachments: Exhibit A (Scope) and Fee Estimate

Copies w/enclosure: Leanne Hammond, HDR

## **Ocean Well– Water Farm No. 1**

### **On-Shore Facilities Concept Study – Scope of Work**

#### **STUDY SPONSORS:**

Las Virgenes MWD	Calleguas MWD
City of Burbank	LA County Waterworks District 29
Los Angeles Department of Water & Power	Santa Clarita Water Agency
Upper San Gabriel Valley Municipal Water District	Three Valleys MWD
Inland Empire Water Agency	

#### **OTHER PARTICIPANTS:**

Metropolitan Water District of Southern California  
West Basin Municipal Water District

#### **Overview**

Ocean Well Water Farm No. 1 (WF1) would be located approximately 4.5 miles off the coast of Malibu, CA. Through connections to on-shore facilities, WF1 would provide treated and conditioned potable water directly to the LA County Waterworks District 29 system in Malibu, and potentially to the Las Virgenes MWD system, via a Malibu Canyon Road Interconnection that is planned.

WF1 would also supply other study sponsors indirectly, via water exchanges within the Metropolitan Water District system. For these exchanges to occur, water would be delivered to the “Central Pool” of Metropolitan, from which it can be conveyed throughout much Southern California, assuming that improvements to the Metropolitan system are completed, as currently planned.

#### **Study Objectives**

The purpose of the study is to determine general concepts for the on-shore conveyance system needed to utilize the water, including pipelines, pumping stations, and other facilities. This on-shore system will take into consideration:

- The capacities and limitations of existing pipelines, pump stations, and tanks
- The range of production capacities planned for WF1 (up to 50 MGD), and the expected seasonal and diurnal variations in pressures, flow rates, and demands
- Compliance with State drinking water distribution regulations
- The costs and benefits of system improvement alternatives
- Environmental issues associated with system improvement alternatives, including considerations regarding Coastal Zone construction

The study is intended to be a high-level analysis, and would be the first of many studies needed to plan the project.

## Task Description

1. Information collection / stakeholder meetings. Facilitate meetings and collect / organize drawings, SCADA flow and pressure data, and other information. Anticipated meetings are:
  - a. Kickoff meeting, with all study sponsors and participants
  - b. Production interface meeting with Ocean Well Technical staff
  - c. Hydraulics meeting with Metropolitan, West Basin, and WWD29
  - d. Water exchange program meeting with Metropolitan and project sponsors
  - e. Division of Drinking Water meeting
2. Conveyance system analysis. Develop up to 3 system alternatives, illustrating a range of capacities. For these alternatives, determine new pipeline, pumping, and storage facilities required.
3. Treatment system analysis. Develop basic concepts for the on-shore facilities required for the disinfection and conditioning of product water prior to distribution.
4. Site Investigations.
  - a. Mapping. Utilize readily available County parcel map and Google Earth images for illustrations of concepts.
  - b. 1-day site review. Review alignments of proposed pipelines and locations of proposed pumping stations and other key facilities.
5. Workshop. At a virtual workshop with study sponsors and participants, present and discuss the findings of the system analysis and the facility concepts.
6. Conceptual planning-level costs. Calculate conceptual planning-level costs for the added water infrastructure needed for each alternative. Estimate will include costs for: (1) new or upgraded pipelines and appurtenances, (2) pump stations, including equipment and building (but excluding land acquisition), (3) on-shore treatment facilities, (4) allowances for other items and contingency, and (5) allowance for engineering and inspection. Costs will be based on the escalated unit costs from the Las Virgenes 2014 Master Plan Update.
7. Environmental constraints and permits analysis. Engage the services of a qualified environmental subconsultant (Environmental Science Associates) to examine the proposed system alternatives and prepare a report describing the potential environmental constraints and permits associated with each.
8. Draft Report. Considering feedback from the workshop and the environmental constraint analysis, prepare a draft report summarizing the analysis and findings of the study.
9. Review Meeting. Facilitate an on-line (virtual) meeting to present the report and answer questions.
10. Final Report. Respond to one consolidated set of comments and provide a final report.
11. Project Management / Administration. Monitor, document, and complete quality control and financial management activities. Communicate and coordinate with team, client, and stakeholders. Provide monthly progress report with invoice.

## Assumptions

1. The desalinated water provided by WF1 will be delivered by Ocean Well to a single point of connection, which will be the starting point of this analysis.
2. Unless otherwise noted, meetings will be on-line, rather than in-person.
3. As the lead agency, Las Virgenes MWD will:

- a. Help with scheduling and facilitating meetings
  - b. Help collect drawings, SCADA data, and other information from participants
  - c. Filter and consolidate comments on the draft report
4. The sizing and analysis of facilities will be based on spreadsheet hydraulic analysis using Hazen-Williams formula and assumptions regarding maximum allowable hydraulic grades.
5. Work will be invoiced on a time-and-materials basis, in accordance with the terms and conditions of a mutually acceptable agreement. The maximum fee shown in the attached Fee Estimate will not be exceeded, unless authorized in writing by the District.
6. The work will be completed in accordance with a mutually acceptable schedule, to be discussed during the Kickoff Meeting. It is anticipated that this study will take approximately 6 to 8 months to complete.

**Exclusions**

This study will not include:

1. The off-shore facilities needed to produce the water and deliver it to shore
2. Improvements to the SCE system needed to power both the on-shore and off-shore facilities
3. Analysis of water quality issues associated with blending the WF1 water with existing system water
4. Hydraulic analysis of Metropolitan Water District system
5. Aerial survey and mapping
6. Geotechnical investigations
7. Right-of-way investigations
8. Utility research and site verifications
9. Detailed environmental site studies, CEQA document preparation, or AB52 consultation

**Las Virgenes Municipal Water District**  
**Ocean Well - On-Shore Facilities Concepts Study**  
**Estimated Level of Effort and Fee**



TASKS		LEVEL OF EFFORT									FEE			
No.	Description	Principal	Project Manager	Quality Manager	Sr Technical Expert	Project Engineer	BIM Senior Technican	Accountant	Project Coordinator	Total Labor	Labor	Subs	Other Direct Costs	Total
	<i>Client Billing Rates</i>	\$395	\$385	\$385	\$395	\$250	\$250	\$195	\$135	\$317				
	<b>On-Shore Facilities Concept Study</b>													
1	Information Collection / Stakeholder Meetings (5)		15		4	16				35	\$11,355	\$0	\$57	\$11,412
2	Conveyance System Alternatives Analysis (3)		15			12				27	\$8,775	\$0	\$44	\$8,819
3	Treatment Systems Analysis				12					12	\$4,740	\$0	\$24	\$4,764
4	Site Investigation (1 day)		8			12				20	\$6,080	\$0	\$30	\$6,110
5	Results Workshop		4			6				10	\$3,040	\$0	\$15	\$3,055
6	Concept Level Costs		4			8				12	\$3,540	\$0	\$18	\$3,558
7	Environmental Constraints and Permit Analysis		2						2	4	\$1,040	\$25,620	\$5	\$26,665
8	Draft Report		16	8	4	8	8			44	\$14,820	\$0	\$74	\$14,894
9	Review Meeting		4		2	4				10	\$3,330	\$0	\$17	\$3,347
10	Final Report		4		2	2	2			10	\$3,330	\$0	\$17	\$3,347
11	Project Management / Administration	2	8					8	8	26	\$6,510	\$0	\$33	\$6,543
	<b>Subtotal   On-Shore Facilities Concept Study</b>	<b>2</b>	<b>80</b>	<b>8</b>	<b>24</b>	<b>68</b>	<b>10</b>	<b>8</b>	<b>10</b>	<b>210</b>	<b>\$66,560</b>	<b>\$25,620</b>	<b>\$334</b>	<b>\$92,514</b>
	<b>Contingency</b>													
	On-Shore Facilities Concept Study	1	8	1	3	7	1	1	1	23	\$7,375	\$0	\$37	\$7,412
	<b>Subtotal   Contingency</b>	<b>1</b>	<b>8</b>	<b>1</b>	<b>3</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>23</b>	<b>\$7,375</b>	<b>\$0</b>	<b>\$37</b>	<b>\$7,412</b>
<b>TOTAL, hours</b>		<b>3</b>	<b>88</b>	<b>9</b>	<b>27</b>	<b>75</b>	<b>11</b>	<b>9</b>	<b>11</b>	<b>233</b>				
<b>TOTAL, dollars</b>											<b>\$73,935</b>	<b>\$25,620</b>	<b>\$371</b>	<b>\$99,926</b>

## COOPERATIVE FUNDING and REIMBURSEMENT AGREEMENT

This Cooperative Funding and Reimbursement Agreement ("Agreement") is made and entered into by and between the following public agencies (hereinafter referred to individually as "Party" and collectively as "Parties") to cooperatively prepare and fund a study evaluating the feasibility, impacts, and benefits of utilizing Oceanwell's subsea desalination water by each agency from the proposed Well Field No.1 off the Malibu coast as one of the climate-change resistant water supply sources for the region:

- City of Los Angeles, Department of Water and Power (hereinafter referred to as "LADWP"); .
- City of Burbank (hereinafter referred to as "Burbank");
- Santa Clarita Valley Water Agency (hereinafter referred to as "Santa Clarita");
- Las Virgenes Municipal Water District (hereinafter referred to as "LVMWD");
- Los Angeles County Waterworks District No. 29, Malibu (hereinafter referred to as "District 29");
- Upper San Gabriel Valley Municipal Water District (hereinafter referred to as "Upper San Gabriel");
- Three Valleys Municipal Water District (hereinafter referred to "Three Valleys"); and
- Calleguas Municipal Water District (hereinafter referred to as "Calleguas").

## RECITALS

WHEREAS, the Parties consist of public agencies with responsibility for various aspects of water resources management in the County of Los Angeles, including water conservation, water recycling, and water supply;

WHEREAS, the Parties recognize the increasing need for sustainable and reliable water sources that are climate-change resilient, the Parties acknowledge the potential of innovative, energy efficient and environmentally friendly desalination technologies by Oceanwell to supplement existing water supplies of the Parties;

WHEREAS, Oceanwell's proposed subsea desalination technology Water Farm No. 1 (WF1), located approximately 4.5 miles off the coast of Malibu, represents a promising solution to address regional water scarcity and support regional water security. It is anticipated that some of the parties would receive water directly from WF1 delivered through an offshore and onshore delivery system. Other parties would be most economically served by exchange. These delivery and exchange mechanisms are being studied solely for planning purposes with no direct or indirect physical impacts; and

WHEREAS, the Parties desire to collaboratively prepare and fund a

comprehensive, collaborative effort to evaluate the feasibility, impacts, and benefits of utilizing Oceanwell's subsea desalination water by each agency from the proposed Well Field No.1 (hereinafter referred to as "Study").

DRAFT

NOW, THEREFORE, in consideration of the mutual benefits to be derived by the Parties and of the promises herein contained, it is hereby agreed as follows:

SECTION 1: OBLIGATIONS OF THE PARTIES

1.1 Obligations of LVMWD:

- 1.1.1 Scope of Services. LVMWD shall execute and administer a professional services agreement for the preparation of the Study on behalf of the Parties, for a not-to-exceed amount of \$100,000 (hereinafter referred to as "Consultant Costs"), in accordance with the scope of work and fee proposal included as Exhibit "A."
- 1.1.2 Data, Reports, and Documents. Within five (5) business days of receipt of deliverables and completion of the Study, LVMWD shall electronically deliver to the Parties the Study, materials and documents created under this Agreement. If the Parties use any of the data, reports and documents furnished or prepared for studies other than the study shown on Exhibit "A," LVMWD shall be released from responsibility to third parties concerning the use of the data, reports and documents.
- 1.1.3 Invoicing. LVMWD shall invoice the Parties for their respective contributions toward the Consultant Costs for the Study based on the terms provided herein.
- 1.1.4 Consideration. LVMWD shall contribute \$12,500 toward the Consultant Costs for the Study, as more fully described on Exhibit B
- 1.1.5 Funding. LVMWD shall prepare and submit a proposal to the Metropolitan Water District of Southern California for \$339,500 in funding from its Future Supply Actions Funding Program for the Study. If such funding is awarded, LVMWD shall execute a funding agreement with Metropolitan Water District of Southern California for the funding, which shall be applied toward the Consultant Costs.
- 1.1.6 Technical Review Committee. LVMWD shall participate as a member in the "Technical Review Committee" as further defined and provided for in Section 2.2 below.



1.1.8 Attribution. LVMWD shall ensure that attribution for the Study is provided to all Parties, unless a Party requests otherwise in writing. Attribution will not be provided to a Party that fails to provide payment, in full or in part, as required by this Agreement.

1.2 Obligations of Burbank:

1.2.1 Consideration. Burbank shall contribute \$12,500 toward the Consultant Costs for the Study, as more fully described on Exhibit "A." Burbank shall pay said amount to LVMWD within forty-five (45) calendar days of receipt of an invoice.

1.2.2 Committees. Burbank shall participate as a member of the Technical Review Committee.

1.3 Obligations of Santa Clarita:

1.3.1 Consideration. Santa Clarita shall contribute \$12,500 toward the Consultant Costs for the Study, as more fully described on Exhibit "A." Santa Clarita shall pay said amount to LVMWD within forty-five (45) calendar days of receipt of an invoice.

1.3.2 Committees. Santa Clarita shall participate as a member of the Technical Review Committee.

1.4 Obligations of District 29:

1.4.1 Consideration. District 29 shall contribute \$12,500 toward the Consultant Costs for the Study, as more fully described on Exhibit "A." District 29 shall pay said amount to LVMWD within forty-five (45) calendar days of receipt of an invoice.

1.4.2 Committees. District 29 shall participate as a member of the Technical Review Committee.

1.5 Obligations of Upper San Gabriel, Three Valleys, and Calleguas:

1.5.1 Consideration. Upper San Gabriel, Three Valleys, and Calleguas shall each contribute \$12,500 toward the Consultant Costs for the Study, as more fully described on Exhibit "A." Upper San Gabriel, Three Valleys, and Calleguas shall each pay said amount to LVMWD within forty-five (45) calendar days of receipt of an invoice.

1.6 Obligations of LADWP:

1.6.1 Consideration. LADWP shall contribute \$12,500 toward the Consultant Costs for the Study, as more fully described on Exhibit "A." LADWP shall each pay said amount to LVMWD within forty-five (45) calendar days of receipt of an invoice.

1.6.2 Committees. LADWP shall participate as a member of the Technical Review Committee.

SECTION 2: COMMITTEES

2.1 Technical Review Committee. The Parties shall form a Technical Review Committee that will provide technical input on the Study, review the deliverables, and vet comments provided by the Parties to LVMWD and the consultant. Upon any Party's failure to provide payment, in full or in part, as required by this Agreement, such Party shall be removed from the Technical Review Committee.

SECTION 3: GENERAL PROVISIONS

- 3.1 Term. This agreement shall be effective upon the date it is executed by all Parties and shall expire two years after full execution, unless extended or sooner terminated by mutual written consent by all Parties. All work described in Section 1.1 above, and Exhibit "A" shall be completed by the expiration of this Agreement.
- 3.2 Termination. LVMWD may terminate this Agreement, effective thirty (30) days from the date of written notice, upon any Party's failure to provide payment, in full or in part, as required by this Agreement, after having failed to cure such failure to pay within thirty (30) days of the date of notice provided by LVMWD. In the event of termination of this Agreement, LVMWD shall not be responsible for further preparation or completion of the Study. In the event LVMWD terminates this Agreement pursuant to this section, LVMWD shall refund all unused funds to the respective, non-defaulting parties, in proportion to the non-defaulting parties' respective contributions made prior to the time of the termination.
- 3.3 Governing Law. This Agreement is made under and will be governed by the laws of the State of California. Further, the Parties shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local governments.

- 3.4 Good Faith. Each Party shall use reasonable efforts and work in good faith for the expeditious completion of the Study. In the event that the Consultant Costs to prepare the Study are greater than those described herein, the Parties agree to meet and confer in good faith to determine a mutually agreeable allocation of the additional costs, subject to any required approval of the Party's governing body.
- 3.5 No Third-Party Beneficiary. This Agreement is for the sole benefit of the Parties and does not grant rights to any non-Party or impose obligations on a Party beyond those specified herein or in favor of any non-party. This Agreement does not commit any Party to any project.
- 3.6 Severability. The provisions of this Agreement are severable, and the invalidity, illegality or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provisions. If any provision of this Agreement is found to be invalid, illegal, or unenforceable, the Parties shall endeavor to modify that clause in a manner that gives effect to the intent of the Parties entering into this Agreement.
- 3.7 Amendments. This Agreement may be amended or modified only by written mutual consent of all Parties.
- 3.8 Notice. Any correspondence, communication, or contact concerning this Agreement must be directed to the Parties at the name and address listed on Exhibit "B." Notice will be deemed as given upon personal delivery, receipt of e-mail, receipt of fax confirmation, or five days after deposit in U.S. Mail, first-class postage, prepaid, and addressed as shown on Exhibit "B."
- 3.9 Counterparts. This Agreement may be executed in counterparts and the signed counterparts will constitute a single instrument. The signatories to this Agreement represent that they have the authority to bind their respective Party.
- 3.10 Confidentiality. Except when disclosure is required for public records pursuant to the California Public Records Act or other applicable law, the Parties will not disclose or cause their respective officers, directors, employees, representatives, agents, or advisors to disclose or use any Confidential Information furnished, or otherwise permitted for review, by one party to the other in connection with the proposed transactions. For purposes of this paragraph, "Confidential Information" means information supplied by one party to the other that is clearly marked by the supplying party as "confidential", except information that is part of public record.
- 3.11 No Partnership. LVMWD and any other Party to this Agreement shall not, by virtue of this Agreement, in any way or for any purpose, be deemed to have become a partner of each other or a joint venture in the conduct of their

respective businesses or otherwise, nor shall there be deemed to have occurred a merger or any joint enterprise by and between the Parties to this Agreement. LVMWD shall have no authority, expressed or implied, to act on behalf of any other Party to this Agreement in any capacity whatsoever as an agent.

- 3.12 Integration. This Agreement represents the entire understanding of the Parties as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder.
- 3.13 Captions, Headings: and Abbreviations. The captions and headings of this Agreement are included for reference purposes only, and not intended to be a part of this Agreement or any way to define, limit, or describe the scope or intent of the particular provision to which they refer.
- 3.14 Indemnification. Except for the sole negligence of any Party to this agreement, each Party agrees to indemnify and hold the other Parties harmless from and against any and all suits and causes of action, claims, charges, damages, demands, judgments, civil fines and penalties, or losses of any kind or nature whatsoever, for death, bodily injury or personal injury to any person, or damage or destruction to any property of either Party hereto, or third persons in any manner arising by reason of the negligent acts, errors, omissions or willful misconduct of a Party and arising out of or in connection with this Agreement or the services performed in connection with this Agreement. Moreover, no Party shall have liability imputed upon them in this Agreement based solely on its having contributed to a study/report under this Agreement or under a separate contract with an independent consultant or vendor.

*[Signature Pages Following]*

IN WITNESS WHEREOF, the Parties hereto  
executed by their respective officers, duly authorized,  
respective signatures.

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David Pedersen, General Manager  
Las Virgenes Municipal Water District

IN WITNESS WHEREOF, the Parties hereto  
executed by their respective officers, duly authorized,  
respective signatures.

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[Name] [Title]

City of Burbank

IN WITNESS WHEREOF, the Parties hereto  
executed by their respective officers, duly authorized,  
respective signatures.

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[Name] [Title]

City of Los Angeles, Department of Water and Power

IN WITNESS WHEREOF, the Parties hereto  
executed by their respective officers, duly authorized,  
respective signatures.

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[Name] [Title]

Calleguas Municipal Water District



IN WITNESS WHEREOF, the Parties hereto have caused this Cooperative Funding and Reimbursement Agreement to be executed by their duly authorized respective officer as of the date first written above.

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[Name] Director of Public Works

Los Angeles County Waterworks District No. 29, Malibu

IN WITNESS WHEREOF, the Parties hereto  
executed by their respective officers, duly authorized,  
respective signatures.

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[Name] [Title]

Santa Clarita Valley Water Agency

IN WITNESS WHEREOF, the Parties hereto  
executed by their respective officers, duly authorized,  
respective signatures.

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[Name] [Title]

Upper San Gabriel Valley Municipal Water District

IN WITNESS WHEREOF, the Parties hereto  
executed by their respective officers, duly authorized,  
respective signatures.

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[Name] [Title]

Three Valleys Municipal Water