

**Brief Overview of the Pure Water Program
Under 1998 Agreement vs.
Amended and Restated Agreement**

	1998 Agreement	Amended and Restated Agreement
Water vs. Wastewater Costs	No specific cost protections in current Agreement.	Specifically defines which Pure Water costs are water vs. wastewater costs (Exhibit F, Articles I–II). Subject to certain exceptions, if wastewater contributions for Pure Water capital facilities exceed \$1.8 billion, water will begin paying wastewater a “Capital Expense Rate” for each acre-foot of secondary effluent (Exhibit F, Article V).
Cost Allocation for Wastewater	All Metro System costs are charged based on Strength and Flow.	Metro System costs will continue to be charged based on actual strength and flow each year; <u>except</u> that Pure Water capital costs will be based on each agency’s share of long-term capacity needs, which are based on projections of 2050 strength and flow (Exhibit G, Column 12).
Revenues	Specifically states that revenues from “Repurified Water” (potable water production) are not Metro System revenues.	Provides for revenue-sharing between water and wastewater when the per-unit costs for Pure Water become less than the per-unit costs of imported water from the County Water Authority (Exhibit F, Article IV).
Agreement Term	Expires in 2050.	Extends Agreement to 2065 to ensure Metro System is fully repaid if the Capital Expense Rate takes effect.