

WEST BASIN MUNICIPAL WATER DISTRICT

AUGUST 7, 2002 – Water Resources
McDonald and Little

AUGUST 26, 2002 – Board Meeting

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INFORMATION CALENDAR

RECYCLED WATER CUSTOMER DEVELOPMENT PROJECT UPDATESUMMARY:

This memorandum provides the West Basin Municipal Water District (WBMWD) Board of Directors with staff's monthly update on the progress of the three consultants hired to pursue recycled water customers on behalf of WBMWD.

RBF Consulting

RBF has withdrawn its services for this project due to the resignation of its project manager and the unavailability of a qualified replacement. RBF's withdrawal from the project was accepted. WBMWD staff is making arrangements to acquire all information developed by RBF. The General Manager met with representatives from Tetra Tech and Water 3 Engineering (W3E) to determine their readiness to assume the projects vacated by RBF. Both Tetra Tech and W3E outlined plans to mobilize staff and accept projects WBMWD gives them.

Tetra Tech

WBMWD staff discussed progress on the project with Tetra Tech and W3E during July 2002. Tetra Tech is actively pursuing customers past the first milestone. Fifteen Letters of Commitment were sent to prospective customers and it is anticipated receiving signed commitments from most if not all of these customers before next months' report.

Water 3 Engineering

W3E now has several customers who have received commitment letters to sign. W3E is likely to have a few customers signing commitment letters soon. Sixteen (16) customers are in various stages of research.

WBMWD-CBMWD Recycled Water Sales

California Water Service Company (CWSC) has responded to WBMWD's request for retail recycled water rates for customers in Central Basin Municipal Water District's service area. Based on wholesale rates being a net of \$25 dollars per acre-foot more, CWSC has indicated the retail rates will be \$.84 per acre-foot, \$.05 higher than WBMWD customers. Southern California Water Company has yet to respond to WBMWD's request in spite of our repeated requests.

Detailed progress reports by each consultant are included in Exhibit "A". Each consultant was originally assigned 28-30 potential customers to pursue.

Tetra Tech

Lateral:	V
Lateral Location:	Carson
Potential Customers:	28
Potential Consumption:	3,517 AFY*
Potential Revenue/Expense Ratio:	1.44
Customers Eliminated:	7
Consumption Eliminated:	1,315 AFY
Customers In Process:	6
Consumption In Process:	436 AFY
Engaged** Customers:	15
Possible Consumption:	1,866 AFY
Possible Revenue/Expense Ratio:	1.28
Total Remaining Potential Customers:	20
Remaining Potential Consumption:	2,302 AFY *
Remaining Revenue/Expense Ratio:	1.36

Lateral:	IIIa
Lateral Location:	Carson, LA County
Potential Customers:	2
Potential Consumption:	391 AFY
Potential Revenue/Expense Ratio:	
Customers Eliminated:	0
Consumption Eliminated:	0 AFY
Customers In Process:	0
Consumption In Process:	0 AFY
Engaged** Customers:	2
Possible Consumption:	391 AFY
Possible Revenue/Expense Ratio:	1.25
Remaining Potential Customers:	2
Remaining Potential Consumption:	391 AFY
Remaining Revenue/Expense Ratio:	1.25
Consumption Needed to Achieve R/E of 1.0:	199 AFY

* Tetra Tech has reevaluated potential consumption that results in a net increase to Remaining Potential

** Defined as having completed step #3

Staff Estimated Level of Completion:	30 %
Invoiced (\$97,943):	20 %

Water 3 Engineering

Lateral:	IV
Lateral Location:	Carson, LA County
Potential Customers:	8
Potential Consumption:	688 AFY
Potential Revenue/Expense Ratio:	1.70

Customers Eliminated:	2
Consumption Eliminated:	29 AFY

Customers In Process:	5
Consumption In Process:	640 AFY

Engaged** Customers:	1
Possible Consumption:	25 AFY
Possible Revenue/Expense Ratio:	0.77

Remaining Potential Customers:	6
Remaining Potential Consumption:	665 AFY
Remaining Revenue/Expense Ratio:	1.68
Consumption Needed to Achieve R/E of 1.0:	95 AFY

Lateral:	10
Lateral Location:	LA County
Potential Customers:	3
Potential Consumption:	124 AFY
Potential Revenue/Expense Ratio:	1.50

Customers Eliminated:	0
Consumption Eliminated:	35 AFY (refinement by W3)

Customers In Process:	1
Consumption In Process:	63 AFY

Engaged** Customers:	2
Possible Consumption:	26 AFY
Possible Revenue/Expense Ratio:	0.82

Remaining Potential Customers:	3
Remaining Potential Consumption:	89 AFY

Remaining Revenue/Expense Ratio: 1.37
Consumption Needed to Achieve R/E of 1.0: 29 AFY

Lateral: 9B
Lateral Location: Gardena, City of LA, LA
County

Potential Customers: 11
Potential Consumption: 970 AFY
Potential Revenue/Expense Ratio: 1.36

Customers Eliminated: 3
Consumption Eliminated: 70 AFY

Customers In Process: 6
Consumption In Process: 755 AFY

Engaged** Customers: 2
Possible Consumption: 145 AFY
Possible Revenue/Expense Ratio: 0.87

Remaining Potential Customers: 8
Remaining Potential Consumption: 900 AFY
Remaining Revenue/Expense Ratio: 1.33
Consumption Needed to Achieve R/E of 1.0: 302 AFY

Lateral: VII
Lateral Location: Carson
Potential Customers: 7
Potential Consumption: 374 AFY
Potential Revenue/Expense Ratio: 1.24

Customers Eliminated: 1
Consumption Eliminated: 5 AFY

Customers In Process: 4
Consumption In Process: 257 AFY

Engaged** Customers: 2
Possible Consumption: 101 AFY
Possible Revenue/Expense Ratio: 0.75

Remaining Potential Customers: 6
Remaining Potential Consumption: 358 AFY
Remaining Revenue/Expense Ratio: 1.10

Consumption Needed to Achieve R/E of 1.0: 274 AFY

** Defined as completed step #3

Staff Estimated Level of Completion: 20 %

Invoiced (\$35,183): 7 %

FISCAL IMPACTS:

Funds for this project are included in the Capital Improvement Program budget for Fiscal Year 2002-03.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on August 7, 2002 and agendaized to the August 26, 2002 Board meeting as information.

RECOMMENDED MOTION:

This item is for information only.

LIST OF EXHIBITS:

Exhibit "A" – Detailed report of Customer Development status by consultant.

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Exhibit "A"