

WEST BASIN MUNICIPAL WATER DISTRICT

SEPTEMBER 4, 2002 - Water Resources
McDonald, Little

SEPTEMBER 23, 2002 - Board Meeting

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INFORMATION CALENDAR

RECYCLED WATER CUSTOMER DEVELOPMENT PROJECT UPDATE

SUMMARY:

This Board memorandum provides the monthly update on the progress of our two consultants pursuing recycled water customers on behalf of WBMWD.

Tetra Tech

Tetra Tech is actively pursuing customers past the first milestone. Fifteen "Letters of Commitment" were sent to prospective customers. Two customers have signed their "Letters of Commitment" (total 65 AFY). Tetra Tech anticipates receiving signed commitments from most if not all of the remaining customers before next months report.

Water 3 Engineering

Water 3 Engineering (W3E) now has several customers who have received a "Letter of Commitment" to sign. W3E is likely to have a few customers signing commitment letters in the near future. 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 \$ 0.84 per acre-foot, \$ 0.05 higher than WBMWD customers. Southern California Water Company has acknowledged they are in the process of determining their rate.

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:	7
Consumption In Process:	486 AFY
Engaged** Customers:	15
Possible Consumption:	1,801 AFY
Possible Revenue/Expense Ratio:	1.28
Commitment Letters Signed	2
Acre-feet committed	65 AFY
Total Remaining Potential Customers:	22
Remaining Potential Consumption:	2,352 AFY *
Remaining Revenue/Expense Ratio:	1.39

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:	35 %
Invoiced (\$120,391):	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:	25 %
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 September 4, 2002 and agendized to the September 23, 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"