

WEST BASIN MUNICIPAL WATER DISTRICT

DECEMBER 4, 2002 - Water Resources
McDonald and Little

DECEMBER 23, 2002 - Board Meeting

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CONSENT 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. Four customers have signed their "Letters of Commitment" (total 530 AFY). Tetra Tech anticipates receiving signed commitments from most if not all of the remaining customers in the near future.

Water 3 Engineering

Water 3 Engineering (W3E) now has nine customers who have received a "Letter of Commitment" to sign. One customer, Hitco (118 AFY), has declined to pursue the use of recycled water after receiving the "Letter of Commitment". W3E will have other customers signing commitment letters in the near future. After a lengthy and complicated process, Water 3 has arranged a field verification of the Western Avenue Bridge over I-105 to determine space for our pipeline to serve LA Southwest College. Water 3 has secured a "Letter of Commitment" from the key customer on Lateral 10, LA Southwest College (63 AFY). Completion of the bridge verification on Western Avenue will enable WBMWD to consider the Lateral for design and construction.

Lateral IIIb

WBMWD Staff met with our two consultants and assigned the Customer List for Lateral IIIb (formerly assigned to RBF) evenly to Tetra Tech and Water 3. Lateral IIIb will be included in forthcoming updates to the Board.

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:	1.54
Customers Eliminated:	7
Consumption Eliminated:	1,315 AFY
Customers In Process:	7
Consumption In Process:	486 AFY
Engaged** Customers:	15
Possible Consumption:	1,336 AFY
Possible Revenue/Expense Ratio:	1.19
Commitment Letters Signed	4
Acre-feet committed	530 AFY
Committed Revenue/Expense Ratio:	.95
Total Remaining Potential Customers:	22
Remaining Potential Consumption:	2,352 AFY *
Remaining Revenue/Expense Ratio:	1.39

* 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:	1.64
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:	0.64
Remaining Potential Customers:	6
Remaining Potential Consumption:	665 AFY
Remaining Revenue/Expense Ratio:	1.65
Consumption Needed to Achieve R/E of 1.0:	132 AFY
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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
Commitment Letters Signed	1
Acre-feet committed	63 AFY
Committed Revenue/Expense Ratio:	1.00
Engaged** Customers:	2
Possible Consumption:	26 AFY
Possible Revenue/Expense Ratio:	0.84
Remaining Potential Customers:	3
Remaining Potential Consumption:	89 AFY
Remaining Revenue/Expense Ratio:	1.28
Consumption Needed to Achieve R/E of 1.0:	44 AFY
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Lateral:	9B
Lateral Location:	Gardena, City of LA, LA County
Potential Customers:	11
Potential Consumption:	970 AFY
Potential Revenue/Expense Ratio:	1.25
Customers Eliminated:	3
Consumption Eliminated:	170 AFY
Customers In Process:	6
Consumption In Process:	747 AFY

Engaged** Customers:	2
Possible Consumption:	53 AFY
Possible Revenue/Expense Ratio:	0.64
Remaining Potential Customers:	8
Remaining Potential Consumption:	800 AFY
Remaining Revenue/Expense Ratio:	1.20
Consumption Needed to Achieve R/E of 1.0:	454 AFY
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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:	268 AFY
Engaged** Customers:	2
Possible Consumption:	101 AFY
Possible Revenue/Expense Ratio:	0.78
Remaining Potential Customers:	6
Remaining Potential Consumption:	369 AFY
Remaining Revenue/Expense Ratio:	1.14
Consumption Needed to Achieve R/E of 1.0:	248 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 December 4, 2002 and agendaized to the December 23, 2002 Board meeting Consent Calendar

RECOMMENDED MOTION:

This item is for information only.

LIST OF EXHIBITS:

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

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Exhibit "A"

Exhibit "B"