

WEST BASIN MUNICIPAL WATER DISTRICT

DECEMBER 5, 2006 – Water Resources

Little, Dear

DECEMBER 21, 2006 – Sp. Board Meeting

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INFORMATION CALENDAR

METROPOLITAN WATER DISTRICT ACTIVITIES UPDATESUMMARY:

This staff report on Metropolitan Water District (MWD) issues is intended to brief West Basin Municipal Water District (District) Directors on activities and issues relevant to the District and its customer agencies. The first section, "On-Going Issues" is a status update on current studies, reports, and/or policy work groups that include staff involvement. The second section, "Current Month's Issues," is a report on noteworthy items that are being presented at the current month's MWD Board meeting. The last section, "Upcoming issues" is a preview of new and forthcoming issues important to the District. This format is intended to keep the Board informed about current and future items at MWD in order to provide direction to staff and its MWD representatives in a timely manner, if required.

**On-Going Issues**Local Resources Program (LRP) Working Group

Purpose: MWD formed a Work Group to re-assess the policy framework that determines how often and in what manner LRP projects are selected, the incentive payment structure, and the total project yield needed to meet supply development targets. The District holds one of the largest LRP contracts with MWD, and our water recycling program has delivered more local water than any other single LRP-funded project by far. Therefore, we have a keen interest in the future of the LRP process.

Update: West Basin staff continues to play an instrumental role in convening a small group of interested member agencies to develop consensus ideas that feed into MWD's LRP Task Force meetings. A second member agency meeting was held on November 21 to prepare for the latest Task Force meeting held on November 28.

There is still general agreement among participating member agencies that local resource development will be better served if the LRP is a much more frequent, if not continuous ("first-come-first-served") solicitation of recycling or brackish desalting projects; that cost competition be reduced or eliminated in project selection; that the incentive should be fixed at \$250 per acre-foot (AF); and that existing LRP agreements be extended if the member agency needs more time to reach contracted yield, or still requires the incentive to operate.

Report on Groundwater Capabilities

Purpose: Earlier in the year MWD's Board directed its staff to prepare a report documenting the use and status of groundwater resources within the Metropolitan service area. The goal of this regional study is to compile existing baseline information that summarizes production, recharge, water quality, and water level trends of the groundwater resources within the Metropolitan service area. This baseline assessment study is anticipated to lay the groundwork for future policy discussions relating to the integration of local groundwater and imported water resources.

Update: MWD staff released draft sections of their groundwater assessment report for review and comment by the overlying member agencies and respective basin managers. West Basin received all of the chapters covering the groundwater basins within our service area i.e. West Coast, Hollywood, Santa Monica Basins. Staff has shared the related chapters with our customer agencies, and plans to submit any comments to MWD by the end of November 2006. The draft report is expected to be presented to MWD's Water Planning, Water Quality, and Resources Committee in the first quarter of 2007.

## **Current Month's Issues**

### Salton Sea Environmental Impact Report

The Salton Sea Ecosystem Restoration Program Draft EIR was released in late October by the California Resources Secretary. MWD is reviewing the Draft EIR and will provide reports to the MWD Board at the December Committee meetings.

## **Upcoming Issues**

### Diamond Valley Lake Recreation Facilities

Summary: MWD Diamond Valley Lake (DVL) Recreation Program includes an array of projects ranging from the development of hiking trails, recreational facilities, commercial and residential property, to the potential sale of surplus property. At the November Asset and Real Property Committee, MWD staff presented a list of items that required immediate action, including:

- Update the DVL Master Plan for the East Recreation Area (ERA) and the North Area; and
- Update the recreation plan and business planning framework.

Staff also provided a list of future action, such as:

- Seek a qualified public entity/private concessionaire to manage the DVL recreation facilities;
- Seek a master developer to construct recreational/commercial/residential development for North Property and ERA; and
- Establish a funding mechanism for recreation development, operations, maintenance, and capital replacement through DVL property sales and other means.

All of these issues are anticipated to be discussed at a workshop for the Committee members later this month.

### The Center for Water Education

Summary: The Center for Water Education (The Center) is an educational museum facility located near DVL dedicated to public education on water supply, reliability, and sustainability in Southern California. The Center is an independent non-profit entity developed to support and facilitate the museum. At the November Asset and Real Property Committee, MWD staff reported The Center's financial shortfall of approximately \$3.7 million in construction funds and \$3 million for two years of operation and maintenance for the facility. MWD staff presented four options to mitigate the shortfall, ranging from a \$6.7 million grant to negotiate transfer of ownership to MWD. The Committee recommended deferring any action until an independent audit is conducted on The Center's finances, and the business plan is presented to the Committee.

Staff is developing summaries of background information on both the DVL Recreation program and the Center for Water Education, so that the Board is prepared to engage on key issues as they are presented for consideration at the MWD Board.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on December 5, 2006 and agendaized to the December 21, 2006 Special Board meeting as information for discussion.

RECOMMENDED MOTION:

This item is for information only.

LIST OF EXHIBITS:

None.