

WEST BASIN MUNICIPAL WATER DISTRICT**JANUARY 17, 2008 – Water Resources**

Smith (Chair), Little

JANUARY 28, 2008 – Board Meeting

Prepared by: Harvey De La Torre

Submitted by: Paul E. Shoenberger

Approved by: Richard Nagel

ACTION CALENDAR

TIER 2 EXEMPTION FOR LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 29SUMMARY:

West Basin staff was contacted by Los Angeles County Waterworks District No. 29 (LA County) – Malibu & Marina Del Rey in regards to their above normal water sales for the year. These higher than expected sales drove their total annual imported purchases beyond their Tier 1 annual maximum limit and into Tier 2. The reason for the increased purchases was due to the recent forest fires in their service area in the months of October and November. LA County believes, based upon this emergency and due to the fact the water was not for potable purposes, they may be eligible to receive an exemption for Tier 2 purchases.

Due to the difficulty in determining the exact amount of imported water used for the fire, a simple methodology was determined by staff. The methodology calculated a baseline for the months of October and November (the average monthly usage from the past three years) and compared that to the recent months (October 2007 and November 2007) when the fires occurred. The difference from the baseline usage and the recent usage gave us an estimate of the potential water used for the fires in those months. The result totaled 182.1 acre-feet (AF) for the two months. Therefore, LA County would be eligible for an exemption of Tier 2 purchases not-to-exceed 182.1 AF.

Although, there is no clear guideline as to what warrants an exemption (all are judged on a case-by-case basis analysis by the Board), the intent of the Tier 2 penalty was to encourage water agencies to properly plan their annual water use and increase their conservation efforts to stay within an annual imported water budget. Emergencies such as natural disasters were not intended when developing the Tier 2 penalty. Therefore, staff recommends granting LA County an exemption not-to-exceed 182.1 AF of Tier 2 purchases.

FISCAL IMPACTS:

By granting LA County an exemption, West Basin will not collect 182.1 AF of Tier 2 revenue (\$98/AF penalty) that totals \$17,843. However, Tier 2 revenues are not budgeted and such an exemption will not impact West Basin's Fiscal Year 2007-08 Budget revenues.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on January 17, 2008 and recommended for approval for the January 28, 2008 Board Meeting.

RECOMMENDED MOTION:

That the Board authorizes the General Manager to grant an exemption of 182.1 AF of Tier 2 sales for LA County Waterworks District No. 29 – Malibu & Marina Del Rey.

LIST OF EXHIBITS:

None.

W:\westbasinboard\wbwmd\january 2008\08jan006