

**WEST BASIN MUNICIPAL WATER DISTRICT****FEBRUARY 14, 2008 – Water Resources**  
Smith (Chair), Little**FEBRUARY 25, 2008 – Board Meeting**

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## INFORMATION CALENDAR

METROPOLITAN WATER DISTRICT ACTIVITIES UPDATESUMMARY:

This report on Metropolitan Water District (MWD) issues is intended to brief the Board on activities and issues relevant to West Basin and its customer agencies. The first section, "On-Going Issues," is a status update on current studies, reports, and/or policy work groups that staff is involved with. The second section, "Current Month's Issues," is a report on noteworthy items that are being covered at the current month's MWD Board meeting. The last section, "Upcoming Issues," is a preview of new and forthcoming issues important to West Basin. 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**MWD's Enhanced Role in Local Resources Development**Update:** No new information is available at the time of drafting this memorandum.Diamond Valley Lake Recreation Plan**Update:** No new information is available at the time of drafting this memorandum.Energy Management Plan Update**Update:** No new information is available at the time of drafting this memorandumReport on Groundwater Capabilities**Update:** No new information is available at the time of drafting this memorandumMWD's Long Range Finance Plan

**Purpose:** As part of MWD's adopted Fiscal Year 2007-08 water rates, the Board requested staff to review and update its Long Range Financial Plan (LFRP), which was last updated in 2004. Specifically, the Board and member agencies requested a review of MWD's financial policies, revenues, operating and maintenance costs, water supply alternatives, reserve levels, and water rate incentives. MWD's Chief Financial Officer, Brian Thomas, recommended a phased approach to the update process, including Phase 1 - Cost/Sales Forecast; Phase 2 - Financial Policies and Strategies; Phase 3 - Revenue Enhancements. An additional phase - Rate Structure Issues, was also added and will run concurrently with Phases 1 through 3. MWD plans to finalize the updated LRF, including any policy recommendations to the Board, by December 2007. However, due to the complexity and history regarding rate structure issues (Interim Agriculture Water Program (IAWP), the replenishment program, Growth Charge, Treated Water Peaking Charge, and Tier 1