

WEST BASIN MUNICIPAL WATER DISTRICT**FEBRUARY 14 & 15, 2008 – Water Resources**
Smith (Chair), Little**FEBRUARY 25, 2008 – Board Meeting**

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Approved by: Richard Nagel

ACTION CALENDAR

REFINERY MEMORANDUM OF UNDERSTANDINGSUMMARY:

With several refineries still using either imported water or pumping groundwater in the vicinity of the seawater intrusion barriers in the West Coast Groundwater Basin, promising opportunities exist for reducing barrier operating costs and increasing water reliability for refineries and the entire region. West Basin has been working with the Water Replenishment District (WRD) and other groundwater basin stakeholders over the past several months to explore cost-effective methods of accomplishing these goals.

The four refineries in the West Coast Basin currently still using groundwater, in at least a portion of their operations, are bp, ExxonMobil, Tesoro and ConocoPhillips. Representatives from these refineries have been participating in a Refinery Working Group and have committed to enter into a Memorandum of Understanding (MOU) with water providers and other agencies to plan cost-effective approaches to maximize recycled water for industrial uses currently met with either imported water or groundwater, or both.

Because of the desire of the refinery parties to collaborate individually with the water agency parties (and not with other refineries), there are four separate MOUs. West Basin is a signatory to three of the MOUs:

1. Tesoro, Los Angeles Department of Water & Power (LADWP), Metropolitan Water District of Southern California (MWD), Water Replenishment District of Southern California (WRD), California Water Service Company (CWSC), Los Angeles County Office of Water Recycling, and West Basin (Exhibit A).
2. ExxonMobil, LADWP, MWD, WRD, City of Torrance, CWSC, Los Angeles County Office of Water Recycling, and West Basin (Exhibit B).
3. bp, LADWP, MWD, WRD, City of Torrance, CWSC, Los Angeles County Office of Water Recycling, and West Basin (Exhibit C).

The fourth MOU is between ConocoPhillips and WRD only (Exhibit D), and is referenced here for informational purposes only.

FISCAL IMPACTS:

None at this time.

ENVIRONMENTAL COMPLIANCE:

Not applicable.