



WEST BASIN MUNICIPAL WATER DISTRICT
17140 S. Avalon Blvd., Suite 210
Carson, CA 90746

AGENDA NO. _____

APRIL 27, 2009 – Board Meeting

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Approved by: Rich Nagel

ACTION CALENDAR

WATER SHORTAGE ALLOCATION PLAN AMENDMENT MAXIMIZE BENEFITS OF RECYCLED WATER

SUMMARY:

Under the West Basin Municipal Water District (West Basin) Water Shortage Allocation Plan (Allocation Plan), customer agency allocations of imported water are determined predominantly by usage during a baseline period of 2004-2006. Any imported water converted to recycled water since the baseline period is a 100% reliability benefit to the customer agency since demand for imported water decreases but the allocation remains the same.

The Shortage Allocation for the Water Replenishment District (WRD) includes the imported water used for injection at the West Coast Basin Seawater Barrier (Barrier) during the baseline period that has since been converted to recycled water as part of the increase in recycled water injection from 50% to 75%. At a Level 2 implementation of the Allocation Plan, as recommended by staff, WRD's allocation from West Basin is significantly higher than what is projected to be required for injection at the Barrier in Fiscal Year (FY) 2009-10. Of course, Los Angeles County Department of Public Works, and not WRD, is ultimately in control of the actual Barrier injection quantity. Still, the opportunity exists for West Basin and WRD to spread the potential benefit of any "surplus allocation" to other West Basin customer agencies.

Staff recommends the following amendment to the Allocation Plan policy to address maximizing the benefit of recycled water developed to offset imported water use at the Barrier:

Any balance remaining between WRD's actual use of imported water at the end of the FY 2009-10 allocation period, and their specific Level 2 allocation amount as determined by West Basin's allocation model, will be available for the benefit of retail customer agencies that may exceed their individual allocations due to an unanticipated loss of local supply or other unforeseen circumstance, subject to approval by the West Basin Board of Directors.

Although the remaining balance of "surplus allocation" at the end of the allocation period cannot be known at this time, if Barrier injection of imported water in FY 2009-10 were to remain consistent with the past two years, roughly 8,000 acre-feet, then the amount available for use under this policy could be as much as 3,000 acre-feet at a Level 2 allocation.

West Basin staff would administer any allocation credits at the end of the allocation period if approved by the Board based on a written request by the retail customer agency based on criteria stated in the policy. Should customer agency requests for relief exceed the amount available, staff will provide credit to eligible customer agencies pro-rata, based on their proportional share of the total allocation of imported water.

STRATEGIC BUSINESS PLAN IMPLEMENTATION:

Goal 1, Reliability – Maintain a level of local water reliability that supports the regional economy, our community and customer agency needs.

Goal 5, Customer/Community Services – Provide for the needs of our customer agencies and the communities we serve in a way that reflects their needs.

COMMITMENT STATEMENT:

Water Reliability – West Basin is committed to innovative planning and investments to provide water supply reliability and drought protection.

Customer Service – West Basin is committed to providing value by understanding and meeting the needs of our customers and the communities we serve.

FISCAL IMPACTS:

Approval of this policy amendment to the Water Shortage Allocation Plan would have the potential to decrease the amount of “net penalty revenue” that West Basin collects from its customer agencies in excess of what is owed to Metropolitan Water District. The amount of net penalty revenue is a function of imported water use by customer agencies relative to allocations, and is therefore neither budgeted nor planned for by West Basin.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Board of Directors at the Special Meeting held jointly with the Water Replenishment District on April 17, 2009 and was agendaized to the April 27, 2009 Board meeting for consideration.

RECOMMENDED MOTION:

That the Board approves the policy amendment to the Water Shortage Allocation Plan as described in this memo to maximize the benefit of recycled water developed to offset imported water use at the barriers.

LIST OF EXHIBITS:

None.