



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

**AGENDA NO. 4**

**JUNE 11, 2009 – Water Resources**  
Little (Chair), Gray  
**JUNE 22, 2009 – Board Meeting**  
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Approved by: Rich Nagel

## INFORMATION CALENDAR

### METROPOLITAN WATER DISTRICT ACTIVITIES REPORT

#### SUMMARY:

This report on Metropolitan Water District (MWD) issues is intended to brief the Board on activities and issues relevant to West Basin Municipal Water District (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**

##### Water Supply Actions and Allocation Plan

**Purpose:** The Water Supply Allocation Plan was approved by the MWD Board in February 2008. In 2008, MWD began a Five-Year Supply Actions initiative to increase water supply through transfers, exchanges and other programs on both the Colorado River and State Water Project (SWP). These additional supplies have helped to decrease the gap between supply and demand projected for 2009. Despite an increase in the SWP allocation to MWD from 15% initially to 20% in April, the MWD Board took action in April 2009 to declare a regional shortage and implement the Water Supply Allocation Plan at a Regional Shortage Level 2 (MWD expects at least a 10% reduction in demand for imported water).

**Update:** In May, the Department of Water Resources (DWR) announced an increase in the SWP allocation from 30 to 40%, following the April increase from 20 to 30%. MWD staff had already explained to its Board when the allocation was approved, that these likely actions by DWR would not change the need for implementing the allocation plan, or the Regional Shortage Level. The higher SWP deliveries will have the effect on MWD of drawing less water from storage reserves to meet demands in Fiscal Year (FY) 2009-10. The 12-month shortage allocation will be effective beginning July 1, 2009.

Long-Range Finance Plan Update, Proposed FY 2009-10 Budget, and Proposed 2010 Water Rates

**Update:** No Update.

Conservation Programs Funding

**Purpose:** Due to high public awareness of the water supply shortage and effective regional delivery mechanisms for conservation incentives and devices, demand for MWD's incentive programs over the past 18 months has been unprecedented. MWD's current fiscal year budget has been oversubscribed, creating a backlog of obligations to consumers and agencies, and the FY 2009-10 Budget will be insufficient to continue incentives at current rates.

**Update:** MWD staff will recommend to the Board in June actions to meet the current backlog of financial obligations, estimated between \$10 and \$15 million. MWD will most likely meet the backlog with water transfer funds in the FY 2009-10 Budget that are projected to be unspent since the actual water transfers will not be needed this year.

Following this short-term fix, staff will present a suite of recommendations in either August or September regarding long-term support for conservation, including a budget amendment for the balance of FY 2009-10. The recommendations are expected to address a streamlining of MWD's inventory of rebates and incentives.

Bay-Delta/State Water Project

**Purpose:** MWD pays for, and is entitled to deliveries from, roughly half of the State Water Project (SWP). Less Colorado River supplies since 2004 has meant that MWD has become increasingly reliant on supplies from the SWP to meet demands. The Bay-Delta, from which the SWP and the federal Central Valley Project (CVP) draw their deliveries, is a strained eco-system of competing needs, and extremely vulnerable to seismic or other catastrophic event. On-going regulatory restrictions curtail pumping from the Delta for the state and federal projects by as much as 40% annually.

**Update:** No update.

2009 Integrated Resources Plan Update

**Purpose:** The original Integrated Resources Plan (IRP) was developed in 1994 and has served as a blueprint for long-term water resource planning for MWD and its member agencies. The 1994 Plan was updated but not re-evaluated in 2003. The 2009 IRP will be a new plan that addresses a set of challenges to imported water sources not present in 1994. MWD and member agency staff comprised of several technical workgroups focusing on specific resource strategies, as well as a Technical Oversight Committee, to review and evaluate various analyses and issue papers. Technical Workgroups include Conservation, Recycled Water, Ocean Desalination, Groundwater, Stormwater, and Graywater. The 2009 IRP is expected to conclude in the fall 2009 timeframe.

**Update:** No update.

## **CURRENT MONTH'S ISSUES**

The following key items will be considered for action at the June Committee and Board meetings:

- Authorize participation in funding agreement for the pilot operation of the Yuma Desalter Plant during 2009;
- Authorize conservation program refinements;
- Report on potential revolving loan program to support the public sector conservation program; and
- Report on progress of local water conservation ordinance adoption.

## **UPCOMING ISSUES**

The following key items have been identified as upcoming issues at MWD's Committee and Board meetings:

- Adopt CEQA determination for the Seawater Desalination agreement with San Diego County Water Authority.

## **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:**

Not applicable.

## **ENVIRONMENTAL COMPLIANCE:**

Not applicable.

## **COMMITTEE STATUS:**

This item was reviewed by the Water Resources Committee on June 11, 2009 and agendized to the June 22, 2009 Board meeting under Metropolitan Water District Activities Update.

RECOMMENDED MOTION:

This item is for information only.

LIST OF EXHIBITS:

None.

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