



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

AGENDA NO. 28

SEPTEMBER 10, 2010 – Water Resources
Little (Chair), Gray
SEPTEMBER 27, 2010 – Board Meeting
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Approved by: Rich Nagel

ACTION CALENDAR

WATER SHORTAGE ALLOCATION PLAN PENALTY WAIVER FOR THE WATER REPLENISHMENT DISTRICT

SUMMARY:

At the August Water Resources Committee, West Basin Municipal Water District (West Basin) staff provided an update on the three customer agencies that were tracking to be assessed financial penalties in or at the conclusion of the Fiscal Year (FY) 2009-10 Water Shortage Allocation Plan (WSAP) year: Cities of El Segundo and Lomita, and the Water Replenishment District (WRD). The City of Lomita experienced a loss of groundwater supply so they qualified for additional imported water supplies and avoided any penalty assessments. The City of El Segundo experienced an overage of 36% over their allocation; however, in August the Board agreed to allow a testing period of six months by the City of El Segundo on the imported water connection meter WB-03 before assessing a financial penalty. Lastly, WRD was 13% over its allocation due to the reduction in recycled water injection into the West Coast Barrier and the resulting make-up imported water.

Justification of Allocation Overage

Reduced capacity at the Edward C. Little Water Recycling Facility to produce the high quality recycled water used for West Coast Basin Barrier (Barrier) injection has caused a loss of local supply and associated increase in imported water purchases from Metropolitan Water District (MWD), over and above the WSAP baseline quantity. The capacity constraints have included the impacts on the Barrier process of poor quality secondary effluent from Hyperion in the last year. Staff is working with Hyperion to try to improve water quality, has tested and is continuing to test different cleaning chemicals and procedures to improve the recovery capability of its microfiltration membranes, and is looking at potential pre-treatment options for the microfilters all with the goal of improving production.

The table below shows the actual water purchased by WRD, the allocation amount and the resulting overage of 1,524 AF, or 13%. According to the WSAP, the penalties assessed would amount to \$905,362.92.

Water Replenishment District

Actual Water Use	13,054 AF
Allocation Amount	11,530 AF
Overage	1,524.18 AF (13%)
Penalty (100-115% over) = 1 x Tier 2 = \$594/AF	\$ 905,362.92

Recommendation

Due to the total loss of recycled water production (and corresponding purchase of imported water) to WRD, staff requests that the Board waive any penalties to WRD because it was over its allocation as a result of West Basin not being able to deliver the recycled water for Barrier injection.

In addition, MWD recognizes that the seawater barriers should not be included in the baseline calculation or be subject to allocations because the seawater barrier is not subject to fluctuations in demand. The West Basin Board approved this change to the FY 2010-11 WSAP as well, and is excluded from the current allocation.

STRATEGIC BUSINESS PLAN IMPLEMENTATION:

Choose from the following goals:

Goal 1: Water Reliability – West Basin is committed to innovative planning and investments to provide water supply reliability and drought protection.

Goal 3: Customer Service – West Basin is committed to providing value by understanding and meeting the needs of our customers and the communities we serve.

Goal 4: Sound Financial & Resources Management – West Basin is committed to efficient business operations, financial planning and asset management.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on September 10, 2010 and recommended for approval at the September 27, 2010 Board meeting.

RECOMMENDED MOTION:

That the Board waives the allocation penalty to the Water Replenishment District in the amount of \$905,362.92 for the FY 2009-10 Water Shortage Allocation period.

LIST OF EXHIBITS:

None.