

- **Board of Directors**
Water Planning, Quality and Resources Committee

February 14, 2006 Board Meeting

7-7

Subject

Approve certification of 490 acre-feet of Replenishment Service water delivered to Eastern Municipal Water District during fiscal year 2004/05

Description

The purpose of this letter is to request Metropolitan Water District's (Metropolitan's) Board to accept late certifications submitted by Eastern Municipal Water District (Eastern) for replenishment water (Replenishment Service) purchased under Metropolitan's Replenishment Service Program (Program). Metropolitan established the Program to encourage replenishment of local groundwater basins and reservoirs by offering a financial incentive to agencies purchasing water for this purpose. To receive the incentive, agencies must certify to Metropolitan the amount of imported water that they have stored in local reservoirs and groundwater basins by direct and in-lieu means, within the timeframe established in Metropolitan's Administrative Code Section 4507(f). Under the Administrative Code, Metropolitan may accept any certification received within six months following the end of any month in which such a credit is claimed, but must reject certifications received after this time. During fiscal year 2004/05, Eastern stored 490 acre-feet of replenishment water through in-lieu deliveries.

Eastern's participation in the Program follows a cooperative, good faith, but protracted effort with Metropolitan, to successfully resolve issues that had previously limited Eastern's eligibility to receive Replenishment Service credits, in a manner consistent with the Program's requirements. Between July 2004 and June 2005, Eastern and Metropolitan worked together to (1) design an operating plan for in-lieu replenishment; (2) define baseline pumping levels reflective of stabilized groundwater elevations; (3) quantify State project water deliveries to the East Valley portion of Eastern's service area; and (4) clarify Metropolitan's operational expectations for participation.

Eastern requested that Metropolitan approve the certification of its Replenishment Service water deliveries within the acceptable time requirements. However, Metropolitan and Eastern agreed in October 2004 to defer consideration of the certification pending resolution of the aforementioned issues. Based on the operational criteria for in-lieu replenishment credits, 490 acre-feet are eligible for Replenishment Service discount, consistent with a sustainable long-term groundwater basin management strategy. Metropolitan and Eastern agreed to work out these issues to ensure that Eastern's request was accurate. Approval of Eastern's certification of the 490 acre-feet of replenishment water stored during FY 2004/05 for Replenishment Service credit will waive the certification deadline under section 4507(f) for this water. Acceptance of the late certification is recommended because the criteria for Eastern's participation in the Program were under development when the deadline passed, so certification could not accurately be completed. Future Replenishment Service deliveries to Eastern will be subject to the standard certification deadline.

Policy

Metropolitan Water District Administrative Code Section 4507(f): Billing and Payment for Water Deliveries, Late Certifications

Metropolitan Water District Administrative Code Section 4514: Replenishment Service

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed actions are not defined as a project under CEQA because they involve continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed actions are not subject to CEQA because they involve other government fiscal activities, which do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed actions are not subject to CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options/Fiscal Impacts

Option #1

Adopt the CEQA determination and waive Administrative Code Section 4507 and allow Eastern Municipal Water District to certify 490 acre-feet of water under Metropolitan’s Replenishment Service Program during FY 2004/05.

Fiscal Impact: \$97,510 (Difference between Full-Service treated water rates and treated Replenishment Service rates for Calendar Year 2004 and 2005 for 490 acre-feet).

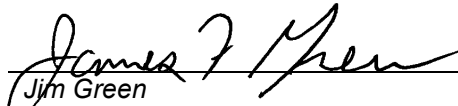
Option #2

No action

Fiscal Impact: None

Staff Recommendation

Option #1


for Jim Green 1/27/2006
Eddie Rigdon Date
Manager, Water System Operations


Debra C. Man 1/27/2006
Debra C. Man Date
Interim CEO/General Manager