



● Water Supply Allocation Plan Appeals Notification

Summary

This report provides notification of recent outcomes of member agency appeals submitted under the Water Supply Allocation Plan (WSAP) Appeals Process. Per the WSAP Appeals Process, Metropolitan staff is directed to provide a report to the Board of Directors, through the Water Planning and Stewardship Committee, on submitted appeals including the basis for determination of the outcome of appeals. The Board previously received a WSAP appeals notification report in September 2009.

The following small appeals were determined between December 2009 and January 2010:

- WSAP Appeal No. 0003 (Foothill) was approved by Metropolitan under the General Manager’s authority. Final notice of decision was sent to Foothill Municipal Water District (Foothill) on December 3, 2009. The approval decision will result in a reduction in the water supply allocation for Foothill Water District of 4 AF under Foothill’s current assumptions for local supply in WSAP Allocation Year 2009/10.
- WSAP Appeal No. 0007 (Calleguas) – Metropolitan staff determined that an appeal was not necessary for resolution of this request because allocation adjustments related to Qualifying Conservation Rate Structure Credit are made outside of the formal appeals process as Member Agencies provide updated information to Metropolitan. A response letter was sent to Calleguas Municipal Water District (Calleguas) on January 9, 2010.

This report to the Board signifies the conclusion of the formal appeals process for Appeals No. 0003 and No. 0007.

Attachments

[Attachment 1: Allocation Appeals Process](#)

[Attachment 2: Status of Appeal Submittals 2009/2010 Water Supply Allocation Plan](#)

[Attachment 3: Water Supply Allocation Plan Appeal No. 0003 \(Foothill, Small Appeal\) and Appeal No. 0007 \(Calleguas, Small Appeal\)](#)

Detailed Report

The Board approved implementation of Metropolitan’s Water Supply Allocation Plan (WSAP) at a Level 2 at its April 14, 2009 meeting. The approved WSAP includes a comprehensive “Appeals Process” for managing and processing any needed changes in member agency data and subsequent allocations ([Attachment 1](#)).

A total of eight appeals have been submitted to Metropolitan to date for the 2009/2010 WSAP allocation period. Of these, three appeals have been resolved and five are currently in progress. A status summary table of appeals received so far is provided in [Attachment 2](#).

The following small appeals were determined during the months of December 2009 and January 2010:

Appeal No.	Member Agency	Subject of Appeal	Decision
0003	Foothill Municipal Water District	Reduction in base period retail demand: Kinneloa Irrigation District	Granted: 4 AF reduction
0007	Calleguas Municipal Water District	Adjustment to Qualifying Conservation Rate Structure Credit	No Appeal Necessary

Further explanation of WSAP Appeals No. 0003 and No. 0007 is provided in [Attachment 3](#).

Allocation Appeals Process

Step 1: Appeals Submittal:

All appeals shall be submitted to the Appeals Liaison in the form of a written letter signed by the Member Agency General Manager. Each appeal must be submitted as a separate request, submittals with more than one appeal will not be considered. The appeal request is to include:

- A designated member agency staff person to serve as point of contact.
- The type of appeal (erroneous baseline data, loss of local supply, etc.).
- The quantity (in acre-feet) of the appeal.
- A justification for the appeal which includes supporting documentation.

A minimum of 60 days are required to coordinate the appeals process with Metropolitan's Board process.

Step 2: Notification of Response and Start of Appeals Process

The Appeals Liaison will phone the designated member agency staff contact within 3 business days of receiving the appeal to provide an initial receipt notification, and schedule an appeals conference. Subsequent to the phone call, the Liaison will send an e-mail to the Agency General Manager and designated staff contact documenting the conversation. An official notification letter confirming both receipt of the appeal submittal, and the date of the appeals conference, will be mailed within 2 business days following the phone contact

Step 3: Appeals Conference

All practical efforts will be made to hold an appeals conference between Metropolitan staff and member agency staff at Metropolitan's Union Station Headquarters within 15 business days of receiving the appeal submittal. The appeals conference will serve as a forum to review the submittal materials, and ensure that there is consensus understanding as to the spirit of the appeal. Metropolitan staff will provide an initial determination of the size of the appeal (small or large), and review the corresponding steps and timeline for completing the appeals process.

Steps 4-7 of the appeals process differ depending upon the size of the appeal

Small Appeals

Small appeals are defined as those that would change an agency's allocation by less than 10 percent, or are less than 5,000 acre-feet in quantity. Small appeals are evaluated and approved or denied by Metropolitan staff.

Step 4: Preliminary Decision

Metropolitan staff will provide a preliminary notice of decision to the member agency within 10 business days of the appeals conference. The Appeals Liaison will mail a written letter to the member agency staff contact and General Manager, stating the preliminary decision and the rationale for approving or denying the appeal.

Step 5: Clarification Conference

Following the preliminary decision the Appeals Liaison will schedule a clarification conference. The member agency may choose to decline the clarification conference if they are satisfied with the preliminary decision. Declining the clarification conference serves as acceptance of the preliminary decision, and the decision becomes final pending approval by Metropolitan's executive management.

Step 6: Final Decision

Metropolitan staff will provide a final notice of decision to the member agency within 10 business days of the clarification conference. The Appeals Liaison will mail a written letter to the member agency staff contact and General Manager, stating the final decision and the rationale for the decision. A copy of the letter will also be provided to Metropolitan executive staff.

Step 6a: Board Resolution of Small Appeal Claims

Member agencies may request to forward appeals that are denied by Metropolitan staff to the Board of Directors through the Water Planning and Stewardship Committee for final resolution. The request for Board resolution shall be submitted to the Appeals Liaison in the form of a written letter signed by the Member Agency General Manager, this request will be administered according to Steps 6 and 7 of the large appeals process.

Step 7: Board Notification

Metropolitan staff will provide a report to the Board of Directors, through the Water Planning and Stewardship Committee, on all submitted appeals including the basis for determination of the outcome of the appeal.

Large Appeals

Large appeals are defined as those that would change an agency's allocation by more than 10 percent, and are larger than 5,000 acre-feet. Large appeals are evaluated and approved or denied by the Board of Directors.

Step 4: Preliminary Recommendation

Metropolitan staff will provide a preliminary notice of recommendation to the member agency within 10 business days of the appeals conference. The Appeals Liaison will mail a written letter to the member agency staff contact and General Manager, stating the preliminary recommendation and the rationale for the recommendation. A copy of the draft recommendation will also be provided to Metropolitan executive staff.

Step 5: Clarification Conference

Following the preliminary recommendation the Appeals Liaison will schedule a clarification conference. The member agency may choose to decline the clarification conference if the satisfied with preliminary recommendation. Declining the clarification conference signifies acceptance of the preliminary recommendation, and the recommendation becomes final pending approval by Metropolitan's executive management.

Step 6: Final recommendation

Metropolitan staff will provide a final notice of recommendation to the member agency within 10 business days of the clarification conference. The Appeals Liaison will mail a written letter to the member agency staff contact and General Manager, stating the final recommendation and the rationale for the recommendation. A copy of the final recommendation will also be provided for Metropolitan executive review.

Step 7: Board Action

Metropolitan staff shall refer the appeal to the Board of Directors through the Water Planning and Stewardship Committee for approval.

**Status of Appeal Submittals
2009/2010 Water Supply Allocation Plan**

Case #	Agency	Appeal Size	Subject of Appeal	Status
0001	City of Long Beach	Small	Loss of local recycled supply Alamitos Seawater Barrier	Granted; reported to Board in Sep. 2009
0002	Municipal Water District of Orange County	Small	Additional tiered rate structure credit Irvine Ranch Water District	In progress
0003	Foothill Municipal Water District	Small	Exclusion of physically isolated area Kinneloa Irrigation District	Granted; reported to Board in Mar. 2010
0004	Calleguas Municipal Water District	Small	Annexation after WSAP base period Camarillo Airport	In progress
0005	Calleguas Municipal Water District	Small	WSAP Base Period supply adjustment Solano Verde Water Company	In progress
0006	Calleguas Municipal Water District	Small	Loss of local supply Zone Mutual Water Company	In progress
0007	Calleguas Municipal Water District	Small	Qualifying conservation rate credit	Granted; reported to Board in Mar. 2010
0008	Foothill Municipal Water District	Small	Adjustment to Allocation Year Local Supply Lincoln Avenue Water Company	In progress

Water Supply Allocation Plan Appeal No. 0003 (Foothill, Small Appeal)

Basis for Appeal:

Foothill Municipal Water District (Foothill) requested that 535 AF of local production from one of its member agencies, Kinneloa Irrigation District (Kinneloa), be removed from Foothill's 2004-2006 base period local production because Kinneloa is completely isolated from Foothill's water system and cannot receive Metropolitan water supplies.

In accordance with the Allocation Appeals Process, WSAP Appeal No. 0003 was defined as a "small appeal" because it is less than 5,000 AF in quantity. Small appeals are evaluated and approved or denied by Metropolitan executive staff, but may be forwarded to the Board for final resolution at the member agency's request. Metropolitan staff decisions are reported to the Board for transparency and informational purposes.

Metropolitan Staff Decision:

Metropolitan staff evaluated the appeal documentation provided by Foothill and approved the appeal. The change will be implemented in the WSAP calculation as a reduction in Foothill's Base Period retail demand. This would result in a reduction in water supply allocation for Foothill of 4 AF.

Rationale for Final Metropolitan Staff Decision:

Foothill requested removal of Kinneloa's local production figures from the 2004 – 2006 historical base period data used to calculate Foothill's total 2009/10 water supply allocation. This is because Kinneloa, although it is a member agency of Foothill, does not have access to Foothill's imported water supplies. Additionally, because it is in a different sub-basin from the rest of Foothill's member agencies, Kinneloa is unable to transfer groundwater rights from other Foothill member agencies.

Foothill provided sufficient documentation that Kinneloa is isolated from Metropolitan's system and from Foothill's other member agencies. Kinneloa is the only Foothill member agency in the Pasadena sub-basin, while the other member agencies are in Raymond sub-basin. The change was implemented in the WSAP calculation as a reduction in Foothill's base period local supply. Although this results in a reduction in the water supply allocation for Foothill of 4 acre-feet under the WSAP Level 2 implementation and Foothill's current local supply production assumptions, removing Kinneloa reduces the risk of allocations impacts to Foothill's other member agencies that would occur if Kinneloa were to increase their local supply production in an allocation year.

Conclusion of Appeal No. 0003:

On October 27, 2009, Metropolitan mailed a Preliminary Notice of Decision with the decision and rationale as stated above. On November 3, 2009, the Foothill staff confirmed receipt of the Preliminary Notice of Decision and declined the optional clarification conference. Final Notice of Decision was mailed to Foothill on December 3, 2009.

This report to the Board signifies the conclusion of the formal appeals process for Appeal No. 0003.

Water Supply Allocation Plan Appeal No. 0007 (Calleguas, Small Appeal)

Basis for Appeal:

Calleguas Municipal Water District (Calleguas) requested an increase to its Qualifying Conservation Rate Structure Credit for Calleguas member purveyors that adopted qualifying tiered rate structures since last reported to Metropolitan in spring 2009.

In accordance with the Allocation Appeals Process, WSAP Appeal No. 0007 was defined as a “small appeal” because it is less than 5,000 AF in quantity. Small appeals are evaluated and approved or denied by Metropolitan executive staff, but may be forwarded to the Board for final resolution at the member agency’s request. Metropolitan staff decisions are reported to the Board for transparency and informational purposes.

Metropolitan Staff Decision:

Metropolitan staff evaluated the appeal documentation provided by Calleguas and determined that an appeal was not necessary and that the matter would be resolved outside of the formal appeals process.

Rationale for Final Metropolitan Staff Decision:

As is the case with all Member Agencies, allocation adjustments related to Qualifying Rate Structure Credit are made outside of the formal appeals process as updated information is made available to Metropolitan by the Member Agencies.

Conclusion of Appeal No. 0007:

On January 7, 2010, Metropolitan mailed a response letter to Calleguas informing them that a formal WSAP appeal was not necessary to resolve the matter, with the explanation as stated above.

This report to the Board signifies the conclusion of the formal appeals process for Appeal No. 0007.