



● **Board of Directors**  
***Water Planning and Stewardship Committee***

7/13/2010 Board Meeting

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9-2

**Subject**

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Proposed adjustments to Metropolitan's Water Supply Allocation Plan

**Description**

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**Background**

Between July 2007 and February 2008, Metropolitan staff worked with the member agency managers and the Board to develop a Water Supply Allocation Plan (WSAP). The WSAP includes the specific formulas for calculating member agency supply allocations and the key implementation elements needed for administering an allocation. The WSAP formula allocates Metropolitan supplies over ten regional shortage levels. The WSAP was adopted at the February 12, 2008, board meeting. Staff was also directed to review the WSAP 12 months following implementation to ensure opportunity for Metropolitan staff and the member agencies to re-evaluate the plan and recommend appropriate changes to the Board.

In April 2009, the Board voted to implement the WSAP for the first time. The WSAP was implemented at a Level 2 allocation level, and is in effect for the period of July 1, 2009, through June 30, 2010. Since implementation of the 2009/10 WSAP began in July 2009, a number of practical issues relating to the plan were identified by staff and the member agencies for further consideration. In the interest of ensuring a comprehensive review process that could produce appropriate changes in time for the next WSAP year, the 12-month review process for the 2009/10 WSAP commenced in January 2010, six months into the WSAP year. Over the course of the six months, staff consulted with the member agency managers to discuss the WSAP and collected feedback on potential modifications.

This letter provides the Board with staff recommendations for modifications to the WSAP that would resolve the issues identified and discussed during the 12-month review process. An action letter to implement any necessary changes will be presented to the Board for consideration in August 2010. Any potential actions to modify the WSAP are intended to take effect for the 2010/11 allocation year.

**Process**

Metropolitan staff engaged with the member agencies in a formal review of the WSAP beginning in January 2010. The purpose of the review was to collaborate with the member agencies to identify potential modifications to the WSAP and to recommend changes, if any, for Board consideration. Since the review process began in 2010, the member agency managers participated in a series of six workshops. The focus of these workshops was to facilitate in-depth discussion on WSAP-related issues and lessons learned since the WSAP was implemented in July 2009. The main topics of discussion in the review process generally fell into the following categories:

- Groundwater basin management
- Local supply production
- Demand hardening
- Growth adjustments

To prepare for the review process, Metropolitan staff collected WSAP-related issues from several sources, including, an online feedback form, WSAP appeal submittals, internal staff meetings, and interactions with member agency managers and staff. Since June 2009, Metropolitan staff has maintained an online WSAP feedback form on the member agency website. The WSAP also includes a comprehensive “Appeals Process” for managing requested changes in member agency data and subsequent supply allocations. To date, Metropolitan has received 14 appeal submittals for the 2009/10 allocation year, which revealed additional issues and topics for clarification and discussion. **Attachment 1** shows a listing of the meetings that were held as part of the formal WSAP review process.

Metropolitan staff compiled WSAP-related issues from the various input sources for presentation and discussion at the WSAP review workshops. Recommendations on how to deal with these issues were subsequently developed in conjunction with the member agency managers for board direction. The recommendations are summarized in the next section.

### **Recommended Modifications to the Water Supply Allocation Plan**

Metropolitan staff recommends the following changes in the WSAP for board approval:

1. Remove references to Gains and Losses of Local Supply
2. Remove references to Regional Shortage Percentage
3. Include the Retail Impact Adjustment in Regional Shortage Level 1 and Level 2
4. Revise the accounting for Extraordinary Supplies
5. Include a Minimum Per-Capita Water Use Threshold
6. Exclude Seawater Barrier Deliveries from the WSAP Formula

Metropolitan staff consulted with the member agency managers and staff to develop these recommendations. They are intended to be effective in the 2010/11 allocation year. The recommendations are summarized below.

1. Remove references to Gains and Losses of Local Supply – Retail demands in the WSAP are calculated using 2004/06 Base Period Local Supplies. However, WSAP allocations are determined by each member agency’s current Allocation Year Local Supplies. Under the WSAP, changes in Allocation Year Local Supplies are documented through communication with member agencies and verified through a formal local supply certification process at the end of each allocation year. Corrections to historical Base Period Local Supply data are made through the formal WSAP appeals process.

Staff recommends removing references in the WSAP to “gains and losses of local supplies” in order to better facilitate the accounting of historical base year and allocation year local supplies. This recommended change would not affect the WSAP formula or allocations.

2. Remove references to Regional Shortage Percentage – Each WSAP Regional Shortage Level currently has a defined “Regional Shortage Percentage.” This percentage is a factor within the WSAP formula and does not represent a shortage amount. However, the percentage figure has led to difficulty with public outreach and communication because it can be easily misinterpreted as an indicator of the depth of shortage or as a percentage of required cutbacks or reductions.

Staff recommends removing references to the “Regional Shortage Percentage” in the WSAP to reduce unintended confusion between calculation factors and shortage amounts. This recommended change would not affect the WSAP formula or allocations.

3. Include the Retail Impact Adjustment in Regional Shortage Levels 1 and Level 2 – The purpose of the Retail Impact Adjustment in the WSAP is to help ensure that member agencies that are highly reliant upon Metropolitan do not experience disparate shortages at the retail level compared to other agencies that are less reliant on Metropolitan. It is prorated on a linear scale based on each member agency's dependence on Metropolitan at the retail level. However, it is currently only applied when the WSAP Regional Shortage Level is 3 or greater. Extending the adjustment to level 1 and level 2 would provide additional allocation to agencies based on their retail-level needs as well as consistency in methodology across all shortage levels.

Staff recommends inclusion of the Retail Impact Adjustment for Regional Shortage Level 1 and Level 2. This recommended change would result in additional allocations to Metropolitan-dependent agencies under level 1 and level 2 regional shortages. Implementing this change would result in approximately 56,000 acre-feet of additional allocation for the upcoming 2010/11 WSAP Allocation Year. Based on the water supply and demand balance as of June 2010, staff does not anticipate that the proposed modification would affect the WSAP Regional Shortage Level. A detailed accounting showing the estimated impact to each member agency from including the Retail Impact Adjustment can be found in [Attachment 2](#).

4. Revise the Accounting for Extraordinary Supplies – In June 2010, the Board adopted principles to be considered in determining Extraordinary Supplies under the WSAP. Local supply production classified as Extraordinary Supply is accounted differently than “planned” or “ordinary” Allocation Year Local Supply. Under the current formula, Extraordinary Supplies are subject to a Base Period Local Supply threshold; this means that an agency must produce as much local supply as they did in the Base Period in order for an Extraordinary Supply to be counted as Extraordinary. Also, according to the current formula Extraordinary Supplies are only partially included in the WSAP allocation formula depending on the WSAP Level. This has the effect of overstating the agency's demand for Metropolitan supplies and providing significantly more benefit to the member agency in terms of total water supply. However, Extraordinary Supplies are increasingly shared with the rest of the region on a sliding-scale as WSAP Levels increase.

During the 12-month review process, it was recognized that the Base Period Local Supply threshold provision and the sliding-scale sharing mechanism in the formula can have punitive outcomes. These impacts are particularly severe in deeper regional shortages and unintentionally create disincentives for member agencies to develop Extraordinary Supplies.

Staff recommends modifying the methodology for accounting of Extraordinary Supply in the WSAP formula. This would be accomplished by:

- Removing the Base Period Local Supply threshold provision,
- Removing the sliding-scale sharing mechanism from the formula, and
- Including the full amount of the Extraordinary Supply in the calculation of the Retail Impact Adjustment.

[Attachment 3](#) provides an example of how these changes would offer more of a benefit to agencies that procure Extraordinary Supplies. There would be no change in the sliding-scale sharing because the current formula does not apply a sliding scale until Level 3. The only impacts to the 2010/11 WSAP Allocation Year supply allocations under a Level 2 would come from the changes to the Base Period Local Supply threshold and the recalculation of the Retail Impact Adjustment. Quantifying the impact is not practicable because any quantification is dependent on knowing actual amounts of Extraordinary Supply that agencies would procure and the dependence on Metropolitan of the agency procuring the Extraordinary Supply.

5. Include a Minimum Per-Capita Water Use Threshold – There is significant variation in per capita water use among the member agencies. Member agencies with lower per capita water use and higher levels of demand hardening are disproportionately affected by demand reductions under WSAP allocations. As absolute per capita water use decreases beyond certain thresholds, further reductions are more likely to come from indoor residential use as opposed to outdoor landscape use.

Staff recommends comparing member agency water use, on a gallon per capita per day (GPCD) basis, to the following minimum thresholds:

- 100 GPCD total use or
- 55 GPCD residential indoor use

Staff's proposed minimum thresholds are based upon compliance guidelines established under Senate Bill x7-7 (Water Conservation Act of 2009).

Member agencies would receive additional Metropolitan allocation for an acre-foot equivalent of GPCD below the minimum threshold. Implementing this change would result in about 900 acre-feet of additional allocation for the upcoming 2010/11 WSAP Allocation Year. The estimated impact to each member agency from including a Minimum Per Capita Water Use Threshold can be found in [Attachment 4](#). [Attachment 4](#) also shows the total acre-feet of additional allocation that would result from this change at each of the WSAP Shortage Levels.

6. Exclude Seawater Barrier Supplies from the WSAP Formula – The WSAP formula currently includes seawater barrier deliveries as local supplies. However, unlike other local demands, seawater barrier deliveries cannot be cut during an allocation year because of obligations to protect groundwater basins, including blending requirements when recycled water is used. This creates a demand hardening effect where the other customers from member agencies that supply seawater barrier deliveries must curtail their demands even more to compensate during an allocation. For this reason, seawater barrier deliveries provide an important regional benefit but also have disparate impacts to individual member agencies and their customers.

During the 2004/06 WSAP Base Period, Metropolitan seawater barrier deliveries averaged approximately 25,000 acre-feet per year. Using the current WSAP formula an estimated 22,000 acre-feet would be allocated to seawater barrier demands in the 2010/11 WSAP Allocation Year. Removing seawater barrier demands from the allocation formula would reduce the 2010/11 WSAP allocation by a like amount. An additional and separate allocation of supplies to meet seawater barrier demands would be determined by the Board of Directors. For the purposes of setting the allocation of supplies for seawater barrier, staff will use an estimate of seawater barrier demands based on the actual MWD deliveries for seawater barrier in the previous calendar year. At the conclusion of a WSAP Allocation Year, staff would require those agencies that have seawater barrier obligations to certify the actual demands for seawater barrier that occurred in that year. [Attachment 5](#) shows the estimated impacts to each Member Agency from this proposal, as well as the total change in allocation at each WSAP Shortage Level.

Staff recommends excluding seawater barrier supplies from the 2004/06 Base Period and WSAP Allocation Year local supply calculations. This would allow the Board to determine allocations for seawater barrier demands separately from the WSAP. Staff proposes that allocations to seawater barrier demands would be no deeper than the WSAP Wholesale Minimum Percentage implemented at that time.

### **Other Identified Items from the 12-Month Review**

In addition to the WSAP modifications recommended in the preceding section, several other items of concern had been identified and discussed by staff and the member agencies during the WSAP 12-Month Review process. For some of these items, it was determined that they would be appropriately addressed on a case-by-case basis through the formal WSAP appeals process. For the remaining items, it was determined through discussions with the member agencies that they did not necessitate changes in the WSAP during this review. The items are listed below:

#### Items to be addressed by appeal

- Losses of supply in basins used as distribution systems
- Exclude physically isolated areas from the WSAP formula
- Treatment of water quality and physical solution obligations in the WSAP formula

#### Other Identified Items

- Conversion of replenishment demands to firm demands
- Increase the Conserving Rate Structure Credit
- Modify how the Base Period Local Supplies are calculated
- Capacity charges should not be affected by the WSAP
- Fire suppression/maintenance water should be excluded from the WSAP
- Adjudications that require replenishment supplies
- Remove the Growth Adjustment from the WSAP formula
- WSAP Base Period selection

Of particular note is the issue of the Growth Adjustment in the WSAP formula. No change in the existing Growth Adjustment is recommended for the 2010/11 WSAP through this review process. However, staff and the member agencies are in agreement that the methodology for accounting for growth in the WSAP formula warrants continued review and discussion in the future.

#### Next Steps

Staff is seeking board direction on the potential recommendations for modifications to the WSAP described in this information letter. Staff will incorporate board input from the July 13, 2010, Water Planning and Stewardship Committee and return in August 2010 with an action item to implement the recommended modifications.

Any changes to the WSAP as a result of board action in August are intended to be in effect for the 2010/11 WSAP Allocation Year. Metropolitan staff has communicated the process timeline to the member agencies through the 12-month review workshops and through meetings with the member agency managers.

For reference, [Attachment 6](#) provides a comparison of the estimated 2010/11 WSAP allocations under the current allocation formula and with all of the adjustments proposed in this letter. This comparison quantifies the cumulative impact of all of the proposed changes for each member agency.

#### Policy

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By Minute Item 47393, dated February 12, 2008, the Board adopted the Water Supply Allocation Plan.

**Fiscal Impact**

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None

  
Deven N. Upadhyay  
Manager, Water Resource Management

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6/30/2010  
Date

  
Jeffrey Kightlinger  
General Manager

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6/30/2010  
Date

**Attachment 1 – WSAP 12-Month Review Process Meeting Summary**

**Attachment 2 – Proposal to Include the Retail Impact Adjustment in Regional Shortage Level 1 and Level 2**

**Attachment 3 – Proposal to Revise the Extraordinary Supply Methodology**

**Attachment 4 – Proposal to Include a Minimum Per Capita Water Use Threshold**

**Attachment 5 – Proposal to Exclude Seawater Barrier Supplies from the WSAP Formula**

**Attachment 6 – Comparison of 2010/11 WSAP Allocations with Proposed Adjustments**

Ref# wrm12606248

## WSAP 12-Month Review Process Meeting Summary

### Meetings with Member Agencies to Discuss Issues from 2009-10 Water Supply

Date	Meeting	Description
January 13, 2010	WSAP 12-Month Review Workshop #1	First meeting of the WSAP 12-Month Review process; focused discussion of WSAP issues identified by Metropolitan staff and by member agencies since 2009/10 WSAP implementation
February 1, 2010	WSAP 12-Month Review Workshop #2	Continuation of prior workshop
February 18, 2010	WSAP 12-Month Review Workshop #3	Continuation of prior workshop
March 1, 2010	WSAP 12-Month Review Workshop #4	Continuation of prior workshop
April 8, 2010	WSAP 12-Month Review Workshop #5	WSAP 12-Month Review process: Recap of identified issues and discussion of Metropolitan staff proposals for changes to the WSAP
April 16, 2010	Member Agency Managers Meeting	Update on the WSAP 12-Month Review process
April 19, 2010	WSAP 12-Month Review Workshop #6	Discussion of WSAP issues related to replenishment
April 23, 2010	Member Agency Managers Conference Call	Clarification of WSAP definition for Extraordinary Supply
May 14, 2010	Member Agency Managers Meeting	Discussion of Extraordinary Supply proposed policy principles and WSAP Local Supply Certification process
May 21, 2010	Member Agency Managers Conference Call	Discussion of Extraordinary Supply proposed policy principles

### Proposal to Include the Retail Impact Adjustment in Regional Shortage Level 1 and Level 2

Under the current WSAP formula, the Retail Impact Adjustment is not included in Regional Shortage Level 1 and Level 2. The purpose of the Retail Impact Adjustment is to provide additional allocation to agencies based upon their dependence on Metropolitan and avoid disparate retail-level impacts around the service area.

The proposed adjustment to the WSAP formula is to include the Retail Impact Adjustment in Regional Shortage Levels 1 and 2. This change would provide additional allocation to agencies based on retail level need in Shortage Levels 1 and 2.

In the 2010/11 WSAP Allocation Year, this adjustment would result in approximately 56,000 acre-feet of total additional allocation at the current Level 2 implementation. The following table shows the Level 2 allocation by member agency with and without the retail impact adjustment, as well as the net change for each agency. The allocations shown below are based on local supply estimates as of June 1, 2010, and do not include any of the other proposed adjustments.

#### Estimated Change to Member Agency WSAP Allocation

Member Agency	Current Methodology	Proposed Methodology	Change
Anaheim	29,417	30,088	670
Beverly Hills	10,927	11,437	510
Burbank	11,296	11,595	298
Calleguas	102,708	106,638	3,930
Central Basin	68,584	69,715	1,131
Compton	3,206	3,268	63
Eastern	98,339	101,144	2,805
Foothill	10,270	10,580	310
Fullerton	13,355	13,683	328
Glendale	19,722	20,421	699
Inland Empire	68,970	70,084	1,114
Las Virgenes	20,853	21,947	1,094
Long Beach	34,505	35,443	938
Los Angeles	320,406	328,867	8,461
MWDOC	230,707	236,987	6,280
Pasadena	24,765	25,673	908
SDCWA	455,379	470,837	15,458
San Fernando	322	324	2
San Marino	1,516	1,541	24
Santa Ana	19,075	19,524	448
Santa Monica	12,316	12,769	452
Three Valleys	64,796	66,872	2,076
Torrance	19,976	20,889	913
Upper San Gabriel	32,499	32,839	340
West Basin	129,562	135,025	5,462
Western	105,674	107,356	1,683
<b>MWD Total</b>	<b>1,909,147</b>	<b>1,965,544</b>	<b>56,398</b>



**Proposal to Revise the Extraordinary Supply Methodology**

Under the current WSAP formula, a percentage of all Extraordinary Supplies are “shared” with the region based upon the Regional Shortage Level; the following table shows the Extraordinary Supply Percentage at each Shortage Level. The Extraordinary Supply Percentage is the amount of an Extraordinary Supply that is included in the WSAP formula to determine each agency’s Wholesale Minimum Allocation from Metropolitan.

**Extraordinary Supply Percentage in Current WSAP**

<b>Regional Shortage Level</b>	<b>Extraordinary Supply Percentage</b>
<b>1</b>	0%
<b>2</b>	0%
<b>3</b>	15%
<b>4</b>	20%
<b>5</b>	25%
<b>6</b>	30%
<b>7</b>	35%
<b>8</b>	40%
<b>9</b>	45%
<b>10</b>	50%

The proposed adjustment to the WSAP removes the Extraordinary Supply Percentage from the allocation formula. Under this proposal, Extraordinary Supplies would no longer be used in calculating an agency’s Wholesale Minimum Allocation from Metropolitan. In other words, Extraordinary Supplies would no longer be “shared” with the region at any of the Regional Shortage Levels.

The proposed adjustment would also revise the current formula to include the full amount of Extraordinary Supplies in the calculation of an agency’s Allocation Year Dependence on Metropolitan. This adjustment serves to more accurately reflect an agency’s true need for Metropolitan supplies in the Retail Impact Adjustment.

Another aspect of the proposed adjustment is to remove the Base Period Local Supply threshold provision from the WSAP formula. Under the current WSAP formula, agencies must produce as much local supplies in the Allocation Year as they did in the Base Period in order for Extraordinary Supplies to be accounted in the formula as Extraordinary.

The table below shows the net gain that an agency would receive from procuring 10,000 acre-feet of Extraordinary Supply at each of the Regional Shortage Levels. The value of the 10,000 acre-feet is shown under both the current and proposed formulas; the net change between the two methodologies is shown in the far right column. This analysis assumes that the agency in this example meets the Base Period Local Supply threshold provision under the current methodology, and that the entire 10,000 acre-feet qualify as Extraordinary Supply. This example is based on an agency that has 100,000 acre-feet of Allocation Year Retail Demand and is 50 percent dependent on Metropolitan. The results shown below do not include any of the other proposed adjustments.

**10,000Acre-Foot Extraordinary Supply Example**

<b>Regional Shortage Level</b>	<b>Current Methodology</b>	<b>Proposed Methodology</b>	<b>Change</b>
<b>1</b>	10,000	10,000	<b>0</b>
<b>2</b>	10,000	10,000	<b>0</b>
<b>3</b>	8,727	9,625	<b>898</b>
<b>4</b>	8,404	9,500	<b>1,096</b>
<b>5</b>	8,133	9,375	<b>1,242</b>
<b>6</b>	7,914	9,250	<b>1,337</b>
<b>7</b>	7,746	9,125	<b>1,379</b>
<b>8</b>	7,632	9,000	<b>1,368</b>
<b>9</b>	7,571	8,875	<b>1,304</b>
<b>10</b>	7,563	8,750	<b>1,188</b>

### Proposal to Include a Minimum Per Capita Water-Use Threshold

Under the current WSAP formula, there is no mechanism to adjust WSAP Allocations for member agencies with low per capita water use.

The proposed adjustment would create a minimum per capita water use threshold. Member agencies' retail-level water use under the WSAP formula would be compared to two different thresholds. The proposed minimum thresholds are based upon compliance guidelines established under Senate Bill x7-7:

- 100 GPCD total water use
- 55 GPCD residential water use

Agencies that fall below either threshold under the WSAP would receive additional allocation from Metropolitan to bring them up to the minimum GPCD water use level. If an agency qualified under both thresholds, the one resulting in the maximum allocation adjustment would be given.

This adjustment would result in almost 900 acre-feet of total additional allocation at the current Level 2 implementation. The table below shows the Level 2 allocation by member agency with and without the Minimum Per Capita Water Use Adjustment, as well as the net change for each agency.

#### Estimated Change to Member Agency WSAP Allocation

Member Agency	Current Methodology	Proposed Methodology	Change
Anaheim	29,417	29,417	0
Beverly Hills	10,927	10,927	0
Burbank	11,296	11,296	0
Calleguas	102,708	102,708	0
Central Basin	68,584	68,584	0
Compton	3,206	4,075	869
Eastern	98,339	98,339	0
Foothill	10,270	10,270	0
Fullerton	13,355	13,355	0
Glendale	19,722	19,722	0
Inland Empire	68,970	68,970	0
Las Virgenes	20,853	20,853	0
Long Beach	34,505	34,505	0
Los Angeles	320,406	320,406	0
MWDOC	230,707	230,707	0
Pasadena	24,765	24,765	0
SDCWA	455,379	455,379	0
San Fernando	322	322	0
San Marino	1,516	1,516	0
Santa Ana	19,075	19,075	0
Santa Monica	12,316	12,316	0
Three Valleys	64,796	64,796	0
Torrance	19,976	19,976	0
Upper San Gabriel	32,499	32,499	0
West Basin	129,562	129,562	0
Western	105,674	105,674	0
<b>MWD Total</b>	<b>1,909,147</b>	<b>1,910,016</b>	<b>869</b>

The following table shows the total impact of including a minimum per capita water use threshold under each Regional Shortage Level. The maximum credit that would be given under the proposal would be just over 12,000 acre-feet in a Regional Shortage Level 10. The allocations shown in this analysis are based on local supply estimates as of June 1, 2010, and do not include any of the other proposed adjustments.

**Estimated Impact to Supplies Allocated in WSAP**

<b>Regional Shortage Level</b>	<b>Current Methodology</b>	<b>Proposed Methodology</b>	<b>Change</b>
<b>1</b>	0	621	<b>621</b>
<b>2</b>	0	869	<b>869</b>
<b>3</b>	0	1,024	<b>1,024</b>
<b>4</b>	0	1,241	<b>1,241</b>
<b>5</b>	0	1,458	<b>1,458</b>
<b>6</b>	0	1,675	<b>1,675</b>
<b>7</b>	0	2,764	<b>2,764</b>
<b>8</b>	0	4,205	<b>4,205</b>
<b>9</b>	0	7,564	<b>7,564</b>
<b>10</b>	0	12,419	<b>12,419</b>

### Proposal to Exclude Seawater Barrier Supplies from the WSAP Formula

Under the current WSAP formula, seawater barrier purchases from Metropolitan are included in the calculation of Base Period Local Supplies.

This proposal would remove seawater barrier purchases from the Base Period calculation and create a separate allocation for seawater barrier demands. This change would allow the Board to determine allocation of barrier demands separately from WSAP.

Seawater Barrier purchases from Metropolitan averaged just over 25,000 acre-feet per year during the 2004/06 Base Period. The following table shows the averages for the three agencies that purchased seawater barrier supplies from Metropolitan during the base period.

#### Member Agency Seawater Barrier Demand

Member Agency	Base Period Average
Long Beach	3,456
MWDOC	8,461
West Basin	13,195
<b>MWD Total</b>	<b>25,111</b>

In the 2010/11 WSAP Allocation Year, this adjustment would result in a 22,000 acre-foot reduction in the total allocation at the current Level 2 implementation. The following table compares the Level 2 allocation by member agency under the current formula with what it would be with the proposed exclusion of seawater barrier supplies, and shows the net change for each agency in the far-right column. Because the proposal includes a provision that seawater barrier demands be allocated separately, the figures shown below may not represent an actual reduction in demands on Metropolitan. Ultimately, the net impact on Metropolitan will depend upon how the Board chooses to allocate supplies to seawater barrier demands.

#### Estimated Change to Member Agency WSAP Allocation

Member Agency	Current Methodology	Proposed Methodology	Change
Anaheim	29,417	29,417	0
Beverly Hills	10,927	10,927	0
Burbank	11,296	11,296	0
Calleguas	102,708	102,708	0
Central Basin	68,584	68,584	0
Compton	3,206	3,206	0
Eastern	98,339	98,339	0
Foothill	10,270	10,270	0
Fullerton	13,355	13,355	0
Glendale	19,722	19,722	0
Inland Empire	68,970	68,970	0
Las Virgenes	20,853	20,853	0
Long Beach	34,505	31,453	(3,052)
Los Angeles	320,406	320,406	0
MWDOC	230,707	223,148	(7,559)
Pasadena	24,765	24,765	0
SDCWA	455,379	455,379	0
San Fernando	322	322	0

<b>San Marino</b>	1,516	1,516	<b>0</b>
<b>Santa Ana</b>	19,075	19,075	<b>0</b>
<b>Santa Monica</b>	12,316	12,316	<b>0</b>
<b>Three Valleys</b>	64,796	64,796	<b>0</b>
<b>Torrance</b>	19,976	19,976	<b>0</b>
<b>Upper San Gabriel</b>	32,499	32,499	<b>0</b>
<b>West Basin</b>	129,562	117,997	<b>(11,565)</b>
<b>Western</b>	105,674	105,674	<b>0</b>
<b>MWD Total</b>	<b>1,909,147</b>	<b>1,886,970</b>	<b>(22,177)</b>

The following table shows the total impact of removing seawater barrier purchases from the WSAP formula at each Regional Shortage Level. The maximum impact of this proposal would be just over 24,000 acre-feet in a Regional Shortage Level 1. The allocations shown in this analysis are based on local supply estimates as of June 1, 2010, and do not include any of the other proposed adjustments.

#### **Estimated Impact to Supplies Allocated in WSAP**

<b>Regional Shortage Level</b>	<b>Current Methodology</b>	<b>Proposed Methodology</b>	<b>Change</b>
<b>1</b>	24,046	0	<b>(24,046)</b>
<b>2</b>	22,177	0	<b>(22,177)</b>
<b>3</b>	21,916	0	<b>(21,916)</b>
<b>4</b>	20,583	0	<b>(20,583)</b>
<b>5</b>	19,251	0	<b>(19,251)</b>
<b>6</b>	17,918	0	<b>(17,918)</b>
<b>7</b>	16,585	0	<b>(16,585)</b>
<b>8</b>	15,253	0	<b>(15,253)</b>
<b>9</b>	13,920	0	<b>(13,920)</b>
<b>10</b>	12,587	0	<b>(12,587)</b>

### Comparison of 2010/11 WSAP Allocations with Proposed Adjustments

This Attachment summarizes the net impact that would result from implementing all of the proposed adjustments to the WSAP:

- Include the Retail Impact Adjustment in Regional Shortage Levels 1 and 2
- Revise the Extraordinary Supply Methodology
- Include a Minimum Per Capita Water Use Threshold
- Exclude Seawater Barrier Deliveries from the WSAP Formula

For the 2010/11 WSAP Allocation Year, the net impact of all of the proposed adjustments would be an increase of approximately 34,000 acre-feet in the total amount of water allocated under the current Level 2 implementation. The following table shows the Level 2 allocation by member agency under the current formula and with all of the proposed adjustments. The net change for each agency is shown in the far-right column. The allocations shown below are based on local supply estimates as of June 1, 2010.

#### Estimated Change to Supplies Allocated in WSAP

Member Agency	Current Methodology	Proposed Methodology	Change
Anaheim	29,417	30,088	670
Beverly Hills	10,927	11,437	510
Burbank	11,296	11,595	298
Calleguas	102,708	106,638	3,930
Central Basin	68,584	69,715	1,131
Compton	3,206	4,075	869
Eastern	98,339	101,144	2,805
Foothill	10,270	10,580	310
Fullerton	13,355	13,683	328
Glendale	19,722	20,421	699
Inland Empire	68,970	70,084	1,114
Las Virgenes	20,853	21,947	1,094
Long Beach	34,505	32,264	(2,241)
Los Angeles	320,406	328,867	8,461
MWDOC	230,707	229,110	(1,597)
Pasadena	24,765	25,673	908
SDCWA	455,379	470,837	15,458
San Fernando	322	324	2
San Marino	1,516	1,541	24
Santa Ana	19,075	19,524	448
Santa Monica	12,316	12,769	452
Three Valleys	64,796	66,872	2,076
Torrance	19,976	20,889	913
Upper San Gabriel	32,499	32,839	340
West Basin	129,562	122,831	(6,731)
Western	105,674	107,356	1,683
<b>MWD Total</b>	<b>1,909,147</b>	<b>1,943,102</b>	<b>33,955</b>