



● **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 WSAP appeals notification reports in September 2009 and in March 2010.

The following small appeals were determined between March 2010 and June 2010:

- WSAP Appeal No. 0008 (Foothill) was approved by Metropolitan under the General Manager's authority. Final notice of decision was sent to Foothill Municipal Water District (Foothill) on April 15, 2010. The approval decision will result in a reduction in the water supply allocation for Foothill Water District of 4 acre-feet under Foothill's current assumptions for local supply in WSAP Allocation Year 2009/10.
- WSAP Appeal No. 0009 (San Marino) was approved by Metropolitan under the General Manager's authority. Final notice of decision was sent to California American Water Company on behalf of the City of San Marino on June 7, 2010. The approval decision will result in a 583 acre-foot increase in San Marino's water supply allocation for WSAP Allocation Year 2009/10.
- WSAP Appeal No. 0010 (San Marino) – Metropolitan staff determined that an appeal was not necessary for resolution of this request because allocation adjustments related to Allocation Year Local Supply are made outside of the formal appeals process as updated information is made available to Metropolitan by the member agencies. A response letter was sent to California American Water Company on behalf of the City of San Marino on March 18, 2010.
- WSAP Appeal No. 0011 (San Marino) – Metropolitan staff determined that an appeal was not necessary for resolution of this request because allocation adjustments related to Allocation Year Local Supply are made outside of the formal appeals process as updated information is made available to Metropolitan by the member agencies. A response letter was sent to California American Water Company on behalf of the City of San Marino on March 18, 2010.
- WSAP Appeal No. 0012 (San Marino) was approved by Metropolitan under the General Manager's authority. Final notice of decision was sent to California American Water Company on behalf of the City of San Marino on June 7, 2010. The approval decision will result in a 305 acre-foot increase in San Marino's water supply allocation for WSAP Allocation Year 2009/10.
- WSAP Appeal No. 0014 (SDCWA) was approved by Metropolitan under the General Manager's authority. Final notice of decision was sent to the San Diego County Water Authority (SDCWA) on June 8, 2010. The approval decision will result in 15,200 acre-feet of Extraordinary Supplies for SDCWA for WSAP Allocation Year 2009/10.

This report to the Board signifies the conclusion of the formal appeals process for Appeals No. 0008, No. 0009, No. 0010, No. 0011, No. 0012, and No. 0014.

Attachments

Attachment 1: Allocation Appeals Process

Attachment 2: Status of Appeal Submittals 2009/10 Water Supply Allocation Plan

Attachment 3: Water Supply Allocation Plan Appeal No. 0008, Appeal No. 0009, Appeal No. 0010, Appeal No. 0011, Appeal No. 0012, and Appeal No. 0014.

Board Report (Water Supply Allocation Plan Appeals Notification)

Detailed Report

The Board approved implementation of Metropolitan's WSAP at a Level 2 for the 2009/10 Allocation Year at its April 14, 2009 meeting. The approved WSAP included a comprehensive "Appeals Process" for managing and processing any needed changes in member agency data and subsequent allocations ([Attachment 1](#)).

A total of fourteen appeals have been submitted to Metropolitan to date for the 2009/10 WSAP allocation period. Of these, nine appeals have been resolved and five are in progress. A summary table of appeals received so far is provided in [Attachment 2](#).

The following small appeals were determined between March 2010 and June 2010:

Appeal No.	Member Agency	Subject of Appeal	Decision
0008	Foothill Municipal Water District	Adjustment for calculation of local supplies for injection/extraction operation to mitigate perchlorate plume in the Raymond Basin	Granted; final adjustment contingent upon end-of-year local supply certification
0009	San Marino	Adjustment for calculation of local supplies for injection/extraction operation to mitigate perchlorate plume in the Raymond Basin	Granted; 583 acre-foot allocation increase
0010	San Marino	Reduction in allocation year local supply: Raymond Basin groundwater extraction	No appeal necessary
0011	San Marino	Reduction in allocation year local supply: Main San Gabriel Basin Watermaster replenishment deliveries	No appeal necessary
0012	San Marino	Increase in Base Period Local Supply data: Longden boosters	Granted; 305 acre-foot allocation increase
0014	San Diego County Water Authority	Extraordinary supplies: Placer County Water Authority transfer	Granted; 15,200 acre-feet added to Extraordinary Supplies

Further explanation of these appeals 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 three 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 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 two 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
2009/10 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 September 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 March 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	No appeal necessary; reported to Board in March 2010

Case #	Agency	Appeal Size	Subject of Appeal	Status
0008	Foothill Municipal Water District	Small	Adjustment for calculation of local supplies for injection/extraction operation to mitigate perchlorate plume in the Raymond	Granted; reported to Board in July 2010
0009	City of San Marino	Small	Adjustment for calculation of local supplies for injection/extraction operation to mitigate perchlorate plume in the Raymond Basin	Granted; reported to Board in July 2010
0010	City of San Marino	Small	Reduction in allocation year local supply: Raymond Basin groundwater extraction	No appeal necessary; reported to Board in March 2010
0011	City of San Marino	Small	Reduction in allocation year local supply: Main San Gabriel Basin Watermaster replenishment deliveries	No appeal necessary; reported to Board in March 2010
0012	City of San Marino	Small	Increase in Base Period Local Supply data: Longden boosters	Granted; reported to Board in July 2010
0013	Central Basin Municipal Water District	Large	WSAP Base Period supply adjustment: San Gabriel Main Basin groundwater transported to Central Basin Municipal Water District's service area	In progress
0014	San Diego County Water Authority	Small	Extraordinary supplies: Placer County Water Authority transfer	Granted; reported to Board in July 2010

Water Supply Allocation Plan Appeal No. 0008 (Foothill, Small Appeal)

Basis for Appeal:

Foothill Municipal Water District (Foothill) requested an adjustment when calculating Foothill’s local supplies for an injection/extraction operation by two of its member agencies, Valley Water Company and Lincoln Avenue Water Company (Lincoln), to mitigate the spread of a perchlorate plume in the Raymond Basin.

In accordance with the Allocation Appeals Process, WSAP Appeal No. 0008 was defined as a “small appeal” because it is less than 5,000 acre-feet 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 an adjustment to Foothill’s final Allocation Year Local Supply reconciliation. The final adjustment to Foothill’s allocation will be contingent upon the local supply certification process at the close of the WSAP Allocation Year.

Rationale for Final Metropolitan Staff Decision:

Lincoln’s pumping and treatment of groundwater leased from the City of Pasadena (Pasadena) during the 2004/06 allocation base year period mitigated the spread of the perchlorate plume to other down gradient water supply wells in the Raymond Basin. During that period, Lincoln had been leasing approximately 750 acre-feet of groundwater pumping rights annually from Pasadena, of which it treated and returned about three-quarters to Pasadena and kept the remaining portion to meet demands in the Lincoln service area. Prior to the lease and the impact of the plume on the wells, Lincoln would have purchased that portion of water through Foothill. However, discontinuation of the lease agreement between Lincoln and Pasadena in 2010 resulted in Lincoln no longer being able to produce and treat Pasadena’s water from the basin.

In order to continue Lincoln’s beneficial action of remediating the perchlorate plume, Foothill proposes to deliver water to Valley Water Company to inject into the groundwater basin. This water would be leased to Lincoln to be produced from the basin and treated through Lincoln’s perchlorate remediation plant. The following diagram illustrates the proposed arrangement:



This arrangement would continue to remove the contaminants in the basin and prevent further plume migration. However, under the WSAP formula the water made available through this arrangement would be counted as both (1) a Metropolitan delivery, and (2) as a locally produced supply.

The change would be implemented in the WSAP calculation as an adjustment to Foothill's final Allocation Year Local Supply reconciliation. The final adjustment to Foothill's allocation will be contingent upon the local supply certification process at the close of the WSAP Allocation Year.

Conclusion of Appeal No. 0008:

On February 26, 2010, Metropolitan mailed a Preliminary Notice of Decision with the decision and rationale as stated above. On March 2 Foothill confirmed receipt of the Preliminary Notice of Decision and declined the optional clarification conference. Final Notice of Decision was mailed to Foothill on April 15, 2010.

This report to the Board signifies the conclusion of the formal appeals process for Appeal No. 0008.

Water Supply Allocation Plan Appeal No. 0009 (San Marino, Small Appeal)

Basis for Appeal:

California American Water Company, on behalf of the City of San Marino (San Marino), requested an adjustment to San Marino's Base Period Local Supplies in the 2009/10 Water Supply Allocation Plan (WSAP) for water purchased through the City of Pasadena and the City of South Pasadena, which had been omitted from San Marino's Base Period Local Supplies.

In accordance with the Allocation Appeals Process, WSAP Appeal No. 0009 was defined as a "small appeal" because it is less than 5,000 acre-feet 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 California American Water Company and approved the appeal. By granting this appeal, Metropolitan will provide San Marino with a net increase of 668 acre-feet per year for the Base Period. This will result in a 583 acre-foot increase in San Marino's water supply allocation for WSAP Allocation Year 2009/10.

Rationale for Final Metropolitan Staff Decision:

The WSAP's 2004/06 Base Period Local Supply data for San Marino had omitted water purchased through the City of Pasadena and the City of South Pasadena. Because these two sources have a direct impact on supplies in San Marino, Metropolitan staff determined that they should be included in the WSAP formula. California American Water Company provided Metropolitan staff with documentation for 633 acre-feet per year of imports from the City of Pasadena that belong in San Marino's WSAP Base Period Local Supplies. During the course of confirming this documentation, Metropolitan staff also received data for 35 acre-feet per year of imported water from the City of South Pasadena for the WSAP Base Period.

Conclusion of Appeal No. 0009:

On April 21, 2010, Metropolitan mailed a Preliminary Notice of Decision with the decision and rationale as stated above. On May 4, 2010, California American Water Company confirmed receipt of the Preliminary Notice of Decision and declined the optional clarification conference. Final Notice of Decision was mailed to California American Water Company on June 7, 2010.

This report to the Board signifies the conclusion of the formal appeals process for Appeal No. 0009.

Water Supply Allocation Plan Appeal No. 0010 (San Marino, Small Appeal)

Basis for Appeal:

California American Water Company, on behalf of the City of San Marino (San Marino), requested a loss of local supply adjustment to reflect supply impacts to California American Water Company resulting from a January 22, 2009, resolution by the Raymond Basin Management Board to reduce groundwater extraction in the Pasadena Subarea of the Raymond Basin by a total of 30 percent over five years.

Metropolitan Staff Decision:

Metropolitan staff evaluated the appeal documentation provided by California American Water Company 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 Allocation Year Local Supply are made outside of the formal appeals process as updated information is made available to Metropolitan by the member agencies.

Conclusion of Appeal No. 0010:

On March 18, 2010, Metropolitan mailed a response letter to California American Water Company 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. 0010.

Water Supply Allocation Plan Appeal No. 0011 (San Marino, Small Appeal)

Basis for Appeal:

California American Water Company, on behalf of the City of San Marino (San Marino), requested an Allocation Year Local Supply adjustment to reflect supply impacts to California American Water Company due to decline of replenishment deliveries available from the Main San Gabriel Basin Watermaster.

Metropolitan Staff Decision:

Metropolitan staff evaluated the appeal documentation provided by California American Water Company 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 Allocation Year Local Supply are made outside of the formal appeals process as updated information is made available to Metropolitan by the member agencies.

Conclusion of Appeal No. 0011:

On March 18, 2010, Metropolitan mailed a response letter to California American Water Company 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. 0011.

Water Supply Allocation Plan Appeal No. 0012 (San Marino, Small Appeal)

Basis for Appeal:

California American Water Company, on behalf of the City of San Marino (San Marino), requested an adjustment to San Marino's Base Period Local Supplies in the 2009/10 Water Supply Allocation Plan (WSAP) to include water pushed through the Longden boosters during eight months that were missing the WSAP Base Period Local Supply data.

In accordance with the Allocation Appeals Process, WSAP Appeal No. 0012 was defined as a "small appeal" because it is less than 5,000 acre-feet 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 California American Water Company and approved the appeal. By granting this appeal, Metropolitan will provide San Marino with a net increase in Base Period Local Supplies of 349 acre-feet per year. This will result in a 305 acre-foot increase in San Marino's water supply allocation for WSAP Allocation Year 2009/10.

Rationale for Final Metropolitan Staff Decision:

California American Water Company requested that two sources be included in the San Marino's allocation Base Period Local Supply data that had been omitted in the WSAP.

- Actual data for one missing month of Base Period Local Supply data for the Longden Boosters
- Estimated data for seven missing months of Base Period Local Supply data for the Longden Boosters

For water metered through the Longden boosters, eight months of data were missing from the WSAP's Base Period Local Supply data. The boosters were in operation during these months. However, the WSAP formula interpreted the missing data as zero usage, resulting in an underreporting of overall Longden booster production in the WSAP Base Period Local Supplies. As part of the documentation process for this appeal, California American Water Company provided Metropolitan with documentation of 135 acre-foot of actual yield for the missing data in July 2004 and with historical data for Longden booster yield from 1997-2008. As additional evidence, California American Water Company also provided documentation of electricity usage during the seven missing months and booster energy efficiency rates as tested by Southern California Edison in 2006.

Metropolitan staff estimated missing Longden Booster production data by taking the averages of the same months in previous years using the documented historical yield data. This methodology resulted in an increase of 1,047 acre-feet in San Marino's Base Period Local Supplies.

Conclusion of Appeal No. 0012:

On April 28, 2010, Metropolitan mailed a Preliminary Notice of Decision with the decision and rationale as stated above. On May 4, 2010, California American Water Company confirmed receipt of the Preliminary Notice of Decision and declined the optional clarification conference. Final Notice of Decision was mailed to California American Water Company on June 7, 2010.

This report to the Board signifies the conclusion of the formal appeals process for Appeal No. 0012.

Water Supply Allocation Plan Appeal No. 0014 (San Diego, Small Appeal)

Basis for Appeal:

San Diego County Water Authority (SDCWA) requested that its 2009 water transfer with the Placer County Water Agency (PCWA) be classified as an Extraordinary Supply for the purposes of calculating SDCWA's 2009/10 water supply allocation.

In accordance with the Allocation Appeals Process, WSAP Appeal No. 0014 was defined as a "small appeal" because it involves a less than 10 percent change in SDCWA's total allocation. 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 SDCWA and approved the appeal. By granting this appeal, Metropolitan will exclude the 15,520 acre-foot PCWA transfer from SDCWA's 2009/10 Allocation Year Local Supplies and designate it as Extraordinary Supply.

Rationale for Final Metropolitan Staff Decision:

SDCWA provided Metropolitan staff with sufficient documentation to verify the timing, source, transmission, and volume of the deliveries; documentation included Metropolitan invoice and California Department of Water Resource's delivery records. The transfer is consistent with the definition for an Extraordinary Supply in the 2009/10 WSAP: "*Local water production efforts that increase local supplies, including purchasing water transfers or overproducing groundwater yield.*" and with the key principles for determining an "Extraordinary Supply" that were adopted by the Board at its meeting on June, 8, 2010. Under rules in effect for the 2009/10 WSAP Regional Storage Level 2 implementation, the WSAP formula allocates 100 percent of the Extraordinary Supply to the producing member agency.

Conclusion of Appeal No. 0014:

On April 28, 2010, Metropolitan mailed a Preliminary Notice of Decision with the decision and rationale as stated above. On May 4, 2010, SDCWA confirmed receipt of the Preliminary Notice of Decision and declined the optional clarification conference. Final Notice of Decision was mailed to SDCWA on June 8, 2010.

This report to the Board signifies the conclusion of the formal appeals process for Appeal No. 0014.