



Approve adjustments to member agency Tier 1 limits and eliminate the Replenishment Service program; and authorize amendments to the Administrative Code

Water Planning and Stewardship Committee
Item 8-1
December 10, 2012

Background

- No Replenishment Rate in CY 2013 and 2014 Rates
- Purchase Orders Extended
 - 1990-2002 period preserved for Base Firm Demand formula
 - Base Firm Demand does not include long-term replenishment demands
- Result: Purchases that used to be at the discounted Replenishment Rate are subject to Tier 2 rates

Recommended Changes

- Historical long-term replenishment should be treated similarly to IAWP Phase-Out
 - Discounted program being eliminated
 - Adjustment made to Tier 1 limits
- Adjustment to Tier 1 limits
 - Include historical annual purchases of long-term replenishment related supplies in calculating “Initial Base Firm Demand Post IAWP” in Administrative Code

Historical Sales to be Included

- Seasonal Storage Service
 - 1990 through 1996
 - Only the “long term” portion not already included in base
- Seasonal Storage Service – Long Term
 - 1997 through 2003
- Cyclic Storage Sales

Estimated Tier 1 Adjustments for 2013

Agency	Current Tier 1 Limits*	Adjustment*
Anaheim	22,240	2,198
Beverly Hills	13,380	---
Burbank	16,336	440
Calleguas	110,248	---
Central Basin	72,360	35,295
Compton	3,372	---
Eastern	84,691	7,733
Foothill	10,997	776
Fullerton	11,298	---
Glendale	26,221	---
Inland Empire	59,792	33,491
Las Virgenes	20,699	---
Long Beach	39,471	12,333

*Assumes member agencies execute the Amended and Restated Purchase Order, except Compton, San Fernando, and San Marino.

Estimated Tier 1 Adjustments for 2013

Agency	Current Tier 1 Limits*	Adjustment*
Los Angeles	304,970	30,693
MWDOC	228,130	52,462
Pasadena	21,180	---
San Diego	587,901	2,411
San Fernando	630	---
San Marino	1,199	---
Santa Ana	12,129	7,489
Santa Monica	11,109	---
Three Valleys	70,474	4,450
Torrance	20,967	---
USGVMWD	17,128	50,100
West Basin	156,874	648
Western	85,110	---

*Assumes member agencies execute the Amended and Restated Purchase Order, except Compton, San Fernando, and San Marino.

Summary

- Eliminate Replenishment Service Program
- Adjust Tier 1 limits
 - Based on historical long-term replenishment
- Amend Administrative Code
- Agencies can purchase water supplies for replenishment-related purposes at the Full Service Tier 1 rate
- All other charges (Capacity, RTS) apply to ongoing purchases

Board Options

- Option #1

Adopt the CEQA determination; Approve adjustments to member agency Tier 1 limits and elimination of the Replenishment Service program; Authorize amendments to the Administrative Code

- Option #2

Do not approve adjustments to member agency Tier 1 limits or elimination of the Replenishment Service program, or authorize the proposed amendments to the Administrative Code

Staff Recommendation

- Option 1

