



TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

Board of Directors
Triunfo Sanitation District
Ventura County, California

March 16, 2011

JOINT POWERS AUTHORITY'S PROPOSAL TO EXTEND RECYCLED WATER SERVICE

Summary

Director Wall requested an item to discuss the Las Virgenes-Triunfo Joint Powers Authority's proposal to extend recycled water service into the City of Los Angeles.

Background

At the February 28, 2011 Triunfo Sanitation District Board of Directors meeting, Director Wall requested an item to discuss the Las Virgenes-Triunfo Joint Power Authority's (JPA) proposal to extend recycled water service into the City of Los Angeles. This item appeared on the JPA's agenda on February 7, 2011 as Woodland Hills Country Club Recycled Water Extension. The JPA took no action on this item.

Staff has not received new or additional information related to this item.

Attached is a copy of the Board letter and the minutes.

Fiscal Impacts

None at the present time.

Recommendation

It is recommended the Board discuss the Joint Powers Authority's proposal to extend recycled water service and direct staff as appropriate.

Enc.

APPROVED FOR MARCH 28, 2011 AGENDA



Doug Anders— Acting District Manager

Item 18-1

Bill Camarillo, CEO of Agromin gave a presentation about his company and how it may perform services for the JPA. He also thanked Administering Agent/General Manager Mundy for the site visit he and staff made to the Agromin plant and for inviting him to speak tonight.

6. CONSENT CALENDAR

- A** Minutes: Regular meetings of December 6, 2010 and January 3, 2011, Special meeting of January 24, 2011. **Approve**

On a motion by Director Lee Renger, seconded by Director Michael Paule, the Board of Directors voted 7-0 -3 to Approve the consent calendar 6A as amended. Director Iceland commented on the December 6, 2010 minutes as the voting to be corrected to: 7 ayes; 0 noes; 2 abstain, 1 absent.

*AYES: Director(s) Caspary , Iceland , McReynolds , Paule , Renger , Steinhardt , Wall
ABSENT: Director(s) Bowman , Orkney , Peterson*

7. ACTION ITEMS

- A** Tapia Water Reclamation Facility: Alternative Disinfection Study

Provide staff direction on which of the two alternative disinfection options, modified chlorination or a hybrid of modified chlorination and ultra-violet will be implemented, and direct staff to issue an RFP for CEQA and design of the preferred option.

On a motion by Director Charles Caspary, seconded by Director Lee Renger, the Board of Directors voted 7-0 -3 to Approve the recommendation of Hybrid of Modified Chlorination system and UV phased implementation and direct staff to issue an RFP for CEQA and design. Roger Stephenson of Montgomery Watson Harza gave a presentation on the Disinfection Alternatives further details including questions from the JPA board.

*AYES: Director(s) Caspary , Iceland , McReynolds , Paule , Renger , Steinhardt , Wall
ABSENT: Director(s) Bowman , Orkney , Peterson*

- B** Tapia Water Reclamation Facility Process Air Evaluation: Award

Approve the proposal from Carollo Engineers, Inc. to provide the Tapia WRF Process Air Evaluation for the amount of \$83,127.00.

On a motion by Director Lee Renger, seconded by Director Steven Iceland, the Board of Directors voted 7-0 -3 to Approve

the recommendation as presented. Brett Dingman, Water Reclamation Manager gave a presentation on this item.

*AYES: Director(s) Caspary , Iceland , McReynolds , Paule , Renger , Steinhardt , Wall
ABSENT: Director(s) Bowman , Orkney , Peterson*

- C** Woodland Hills Country Club Recycled Water Extension

Provide staff direction related to the JPA's participation in the Woodland Hills Country Club Recycled Water Extension.

Director of Facilities & Operations Lippman presented an overview of this item. He stated this project will be in the upcoming Infrastructure Investment Plan. No action was taken on this item.

February 7, 2011 JPA Board Meeting

TO: JPA Board of Directors

FROM: Facilities & Operations

Subject: Woodland Hills Country Club Recycled Water Extension

SUMMARY:

At the January 11, 2011 Las Virgenes Municipal Water District Board meeting, the attached staff report was presented to the Board. The report describes the possibility of a recycled water extension into the City of Los Angeles, in particular to the Woodland Hills Country Club. The Board directed staff to start developing the framework for a wholesale and capital agreement with the City, finalize the design report being prepared by AECOM and present the project to Triunfo Sanitation District at the next JPA meeting.

RECOMMENDATION(S):

Provide staff direction related to the JPA's participation in the Woodland Hills Country Club Recycled Water Extension.

FINANCIAL IMPACT:

The cost of \$23,642 would become a JPA expense item. While developing the agreements there would be staff time charged to a JPA account.

DISCUSSION:

At the January 11, 2011 Las Virgenes Municipal Water District Board meeting the attached staff report was presented to the Board. The report describes the possibility of a recycled water extension into the City of Los Angeles, in particular the Woodland Hills Country Club.

The short-term annual demand is 300 acre-feet and future long-term annual demand could be upwards of 1,000 acre-feet. The concept is that facilities within the Las Virgenes MWD service area would be owned and operated by either Las Virgenes or the JPA and facilities within the City's service area would be owned and operated by the City. Wholesale recycled water would be sold to the City for them to sell to their retail customers. The JPA agreement provides for either party to participate or decline in the extension of recycled water facilities. If this project moves forward and Triunfo Sanitation District chooses not to participate, they would be entitled to 29.7% of the JPA wholesale revenue generated from sale of the water to Las Virgenes. If they choose to participate, then they would be entitled to 29.7% of the wholesale revenue generated from the sale of recycled water to the City.

Las Virgenes authorized AECOM to prepare a design report identifying the necessary facilities needed to provide service to the Woodland Hills Country Club for \$23,642. Currently this expense is not a JPA expense.

Prepared By: David R. Lippman, Director of Facilities & Operations

ATTACHMENTS:

Report

Woodland Hills Country Club Recycled Water Extension

January 11, 2011 Staff Report

Summary

In May 2008, the City of Los Angeles adopted a water supply strategic plan "Securing LA's Future Water Supply."¹ The premise of this Water Supply Plan is that the City will meet all new demands for water, about 100,000 acre-feet per year (AFY), through a combination of water conservation and water recycling. By the year 2030, half of all new demand will be filled by a six-fold increase in recycled water supplies and the other half will be met through ramped-up conservation efforts. The plan has several proposed actions, including the increase of recycled water for irrigation and industrial use and the use of recycled water for groundwater replenishment. The current City water recycling capital budget provides for funding to increase recycled water deliveries from 4,500 AFY to 19,350 AFY by 2014. The plan also recommends that the City revisit the concept of providing advanced treated recycled water from their Tillman Plant to the Hansen Spreading Grounds for groundwater replenishment. This concept was successfully implemented by Orange County. The City is currently preparing a Recycled Water Master Plan to reach the goal of 50,000 acre-feet per year of recycled water use by 2030.

There are both short-term and long-term opportunities for the District to partner with the City in the expansion and reuse of recycled water. Staff has met several times with City staff to discuss these opportunities. The main focus of the discussion has been on short-term opportunities and the potential of long-term opportunities. These partnerships will help in achieving the District's goals of maximizing beneficial reuse, offsetting regional imported water, reducing greenhouse gas emissions and reducing discharge.

The first short-term opportunity is the potential to extend the recycled water system into the City to the Woodland Hills Country Club, generating an annual demand of 300 AF. Long-term, the system could be expanded to include more customers allowing the City to send more advanced treated recycled water from Tillman to the spreading grounds. If in the long-term, the system was expanded to include areas such as Warner Center and Pierce College, approximately 1,000 acre-feet of annual demand would be generated. (This amount of demand added to the existing and future demand within the District's service area supports the need for a recycled water storage reservoir.)

Woodland Hills Country Club Extension

The extension of the recycled water system to the Woodland Hills Country Club has been considered in the District's 2005 Tapia Alternative Study and the 2007 Recycled Water Master Plan. The Woodland Hills Country Club is located on Dumetz Road in Woodland Hills. It is a privately owned, 72 acre property with an 18-hole golf course and club house with an annual irrigation demand of 230 acre-feet. Along the pipeline route several other potential customers will add another 71 acre-feet of annual demand. A smaller distribution pipeline could be included that would provide service to Alice C. Stelle Middle School. To meet peaking flows, to assure minimal pressure drops to existing customers and provide for future demands, a 20-inch pipeline extension is necessary. The extension would total 4.5 miles in length, one mile within the District's service area and 3.5 miles within the City. The estimated project cost for this extension is \$8.7 million. The cost for the extension within the District's service area is \$1.9 million. The attached map provides details of the extension.

¹ <http://www.ladwp.com/ladwp/cms/ladwp010588.jsp>

Woodland Hills Country Club Recycled Water Extension

January 11, 2011 Staff Report

Conceptually, the District would be responsible to fund and construct the pipeline within its service area and the City responsible to fund and construct the pipeline within their service area. The District would sell wholesale recycled water at the boundary line to the City. The wholesale rate could either be tied to the cost of MWD Tier 1 water or contain the cost to purchase JPA wholesale recycled water plus a capital recovery component and a potable water supplement component. Early estimates of a wholesale rate range from \$576 per acre foot to \$790 per acre foot. Care needs to be taken so that the recycled water wholesale rate does not exceed potable water wholesale costs making it unattractive. Attached is a worksheet showing the details of potential wholesale rates and for comparison existing LVMWD recycled water retail rates.

At the last meeting with City staff, they were open to further discussion regarding the wholesale cost and developing an agreement for the purchase of recycled water. The City also asked if the District would be interested in managing the whole project including CEQA, permitting, design and construction. Administrative costs would be reimbursed by the City.

The JPA agreement provides for either party to participate or decline in the extension of recycled water facilities. If this project moves forward and Triunfo Sanitation District chooses not to participate, they would be entitled to 29.7% of the JPA wholesale revenue generated from sale of the water to Las Virgenes. If they choose to participate, then they would be entitled to 29.7% of the wholesale revenue generated from the sale of recycled water to the City. An information only JPA agenda item is scheduled for the February 7, 2011 meeting to stimulate discussion about the project.

The next steps in this project are to finalize the preliminary design report being prepared by AECOM for the Woodland Hills Country Club extension, start the process of developing a wholesale recycled water agreement and a capital improvement agreement with the City, and present the project to the JPA Board.

Woodland Hills Country Club
Recycled Water Staff Report

80% of MWD Tier 1 Wholesale Rate
 Cost of AF, Tier 1 MWD Water \$ 720
 Cost per HCF \$ 1.65
 80% of Cost HCF \$ 1.32
 80% of Cost AF \$ 576

Revenue per AF less LV Wholesale Rate \$ 286
 Annual revenue based on 300 AF per year of sales \$ 85,914
 Years to recover capital cost of \$1,900,000 22

LVWMD Wholesale Rate
 Cost per HCF

CIP Cost
 Cost per year for 20 years \$ 1,900,000
 Cost spread per AF for 300 AF \$ 95,000
 Annual CIP component per HCF \$ 316.87
 PW Supplement per AF \$ 0.73

PW Supplement per AF
 Cost for 81 AF of PW Suppl/ year \$ 1,000
 Cost spread per AF for 300 AF \$ 81,000
 Cost per HCF annualized \$ 270.00
 Cost per HCF annualized \$ 0.62

Cost recovered to pump water east avoiding 005 per HCF
 in shoulder months \$ -0.14

Cost per HCF of Recycled Water \$ 1.87

Cost per AF of Recycled Water \$ 815

Cost per HCF of Recycled Water w/o Potable Supplement \$ 1.25

Cost per AF of Recycled Water w/o Potable Supplement \$ 545

Assume 100% of
 CIP Costs
 Recovered
 \$ 289.62
 \$ 0.66

Assume 50%
 of CIP Costs
 Recovered
 \$ 950,000
 \$ 47,500
 \$ 158.33
 \$ 0.36

Assume 50%
 of CIP Costs
 Recovered
 \$ 1,000
 \$ 81,000
 \$ 270.00
 \$ 0.62
 \$ -0.14

Spread based on 3 year average of LVMWD Sales:

Jan	4%	11.9
Feb	2%	6.5
Mar	6%	17.3
Apr	9%	25.9
May	11%	32.2
Jun	12%	35.6
Jul	14%	42.8
Aug	13%	37.8
Sep	11%	34.4
Oct	9%	26.8
Nov	7%	21.1
Dec	3%	7.5
		300 AF

81 AF of PW Supplement

LVMWD Retail Recycled Water Rates

CHAPTER - 4 CONTINUATION OF SERVICE

ARTICLE 1 - RATES: TIME/MANNER OF PAYMENT

4-4.101 GENERAL

A recycled water customer shall be entitled to continue to receive recycled water service from the district by compliance with the terms of this chapter.

4-4.102 BI-MONTHLY WATER RATES INSIDE THE DISTRICT

A customer obtaining permanent service for property located within the district shall pay the bi-monthly water rates set forth below based upon the size of the meter serving the property.

Size of Meter	Bi-Monthly Service Charge
3/4" - 12"	No Charge

4-4.103 Commodity Charges

(a) In addition to the readiness to serve charge, each recycled water customer shall pay a commodity charge for water delivered through each meter in a bimonthly period based on the class of customer, tier allotments and the elevation zone within which the customer's property is located as follows.

(b) Tier allotments in billing units for recycled water customers shall be determined by multiplying the base tier allotments by the meter capacity ratio for the recycled water meter serving the property.

	Base Tier Allotments
Tier 1	First 16
Tier 2	Next 51
Tier 3	Next 133
Tier 4	Over 200

Meter Size	Meter Capacity Ratio
3/4"	1.0
1"	1.7
1-1/2"	3.3
2"	5.3
3"	10.7
4"	16.7
6"	33.3
8"	53.3
10"	76.7

(c) The volume and elevation zone charge per unit shall be as follows:

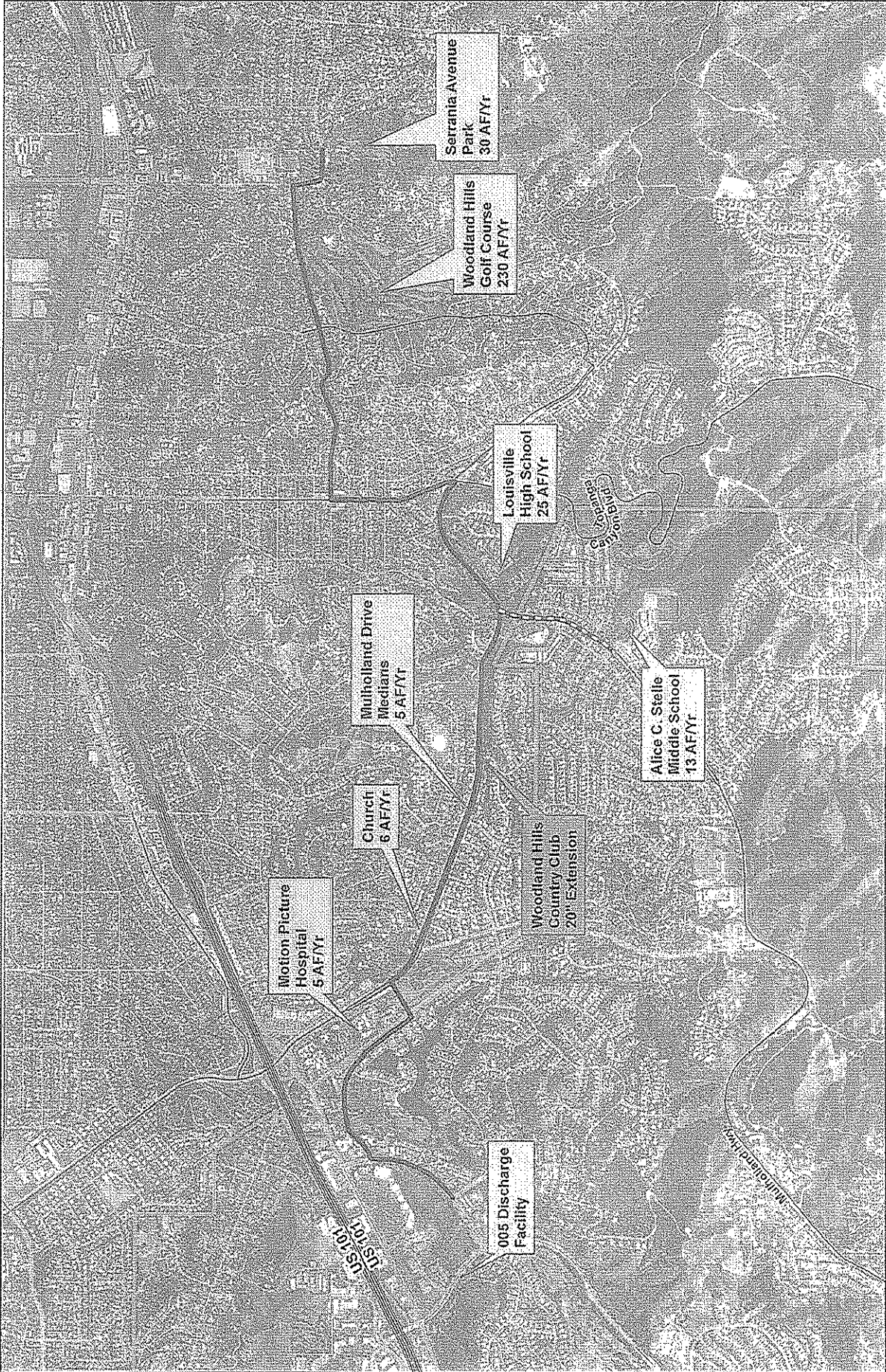
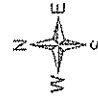
Volume/ Elevation Charge	Commencing with meter reads on or after:				
	11/1/2007	7/1/2008	7/1/2009	7/1/2010	7/1/2011
Tier 1	\$1.11	\$1.14	\$1.17	\$1.22	\$1.27
Tier 2	1.39	1.43	1.47	1.53	1.59
Tier 3	2.09	2.15	2.21	2.30	2.39
Tier 4	3.13	3.22	3.32	3.45	3.59
Las Virgenes Valley Zone	(\$0.19)	(\$0.20)	(\$0.21)	(\$0.22)	(\$0.23)

Amended 9/25/07 by Ord 09-05-252

ITEM 7C

18-7

Las Virgenes Municipal Water District is not responsible for the accuracy of this presentation. This presentation is for illustrative purposes only. Verify the physical location of all property lines, water lines and ancillary information prior to use.



Date: 12/27/2010

Path: X:\gisData\Maps\WoodlandHills_RW_extension.mxd

1 inch = 1,500 feet



ITEM 7C

18-8