



Long Beach Water

Exceptional Water • Exceptional Service

1800 E. Wardlow Road, Long Beach, CA 90807-4931
562.570.2300 | lbwater.org

Board of Water Commissioners

January 6, 2022

CHRISTOPHER J. GARNER, General Manager

Subject

Authorize the General Manager to execute Agreement WD-3651 with the Water Replenishment District of Southern California (WRD) for the correction to the Central Basin Water Rights Storage account balance of Long Beach.

Executive Summary

WRD serves as the Administrative Body of the Watermaster to manage water production and use in the Central Basin of Los Angeles County ("Central Basin") pursuant to the Third Amended Judgment entered in Central and West Basin Replenishment District v. Adams, et. al., Los Angeles Superior Court Case No. 786,656 ("Judgment" hereinafter). As a party to the Judgment, the City of Long Beach (City) received an allocation of water rights and is entitled to pump groundwater each year in an amount referred to as "Allowed Pumping Allocation" or "APA".

The Judgment includes terms and provisions providing the City with a right to "carryover" a fraction of the City's total APA from one administrative year to the following administrative year. The Judgment also includes terms and provisions to allow the "carryover" to be stored beyond the following administrative year by converting "carryover" into "stored" water by paying the replenishment assessment rate for every acre foot of water converted from carryover into storage. Subsequently, if, in a given year, the City chooses to use water previously put into storage rather than deducting the amount of water pumped from the City's current year available APA, that amount of water is instead deducted from the City's storage balance, and the amount of water pumped from storage is not subject to the replenishment assessment at the time of extraction since it was already paid when the water was first stored.

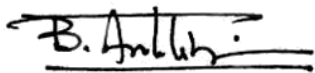
In administrative year 2014-2015, the City chose to withdraw 899.49 acre feet from storage. However, in addition to deducting from the City's storage balance, the amount was also deducted from the City's administrative year 2014-2015 APA. Therefore, the City's administrative year 2014-2015 carryover water balance was understated by 899.49 acre feet. The purpose of this Agreement is to correct the accounting error by providing the City with the retroactive opportunity to place the 899.49 acre feet into storage by paying the replenishment assessment rate applicable at the time the accounting error occurred, which was \$268 per acre foot.

A total payment of \$241,065 shall be paid by the City to WRD in five (5) equal annual installments of \$48,213 each to spread out the fiscal impact to the City over multiple years. Upon its receipt of each scheduled payment, WRD shall credit 79.90 acre feet of water production rights into City's storage account, until the total of 899.49 acre feet of water production rights have been so credited.

Recommendation

Authorize the General Manager to execute Agreement WD-3651 with the Water Replenishment District of Southern California (WRD) for the correction to the Central Basin Water Rights Storage account balance of Long Beach.

Fiscal Impact: The cost to the Water Fund will be \$48,213 each year from FY 22 through FY 26, for a total of \$241,065. These costs are unbudgeted in the Water Fund. However, it is expected that these costs can be absorbed within the Water Fund using projected savings within the Fund, and there will be a net benefit to the Water Fund in a future year when this water is withdrawn from storage because the City will not be required to pay the replenishment assessment at that time.



B. Anatole Falagan
Assistant General Manager



Christopher J. Garner
General Manager