



*Proposed Second Amendment
to the Cooperative Agreement
with Western Municipal Water
District to Monetize Excess Water
Resources in 2016 & 2017*

Public Utilities Department

**City Council
September 13, 2016**

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Water Management Policy Principles

- Approved in 2014
 1. First and foremost provide quality water to the customer-owners
 2. Be a steward of the limited natural resource
 3. Strive to appropriately monetize unused and potentially expiring local water production and export rights through pre-planned and pre-executed water sales agreements



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Background

1. Approval of the Original Water Production and Conveyance Agreement in 2009
 - a. To “wheel” or convey WMWD’s leased groundwater in the Bunker Hill Basin
 - b. Electric + O&M charge
2. Approval of the First Amendment in 2015
 - a. Wholesale unused export rights
 - b. Electric + O&M charge + Resource



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2015 Wheeling and Wholesale

1. From January through October 2015
 - a. Wheeled 5,708 acre-feet for WMWD
 - b. Gross Revenues about \$2.7 Million
2. In November and December 2015
 - a. Wholesaled 1,442 acre-feet to WMWD
 - b. Gross Revenues about \$1.0 Million



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Second Amendment to the Western Agreement

- Proposed Modification to the Original Wheeling Agreement with Western:
 1. Wholesale up to 5,000 acre feet
 2. Through February 2017
 3. Western to pay \$225 per acre foot for water resource
 - a. UCR Agreement
 - b. In addition to Wheeling



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2016 Wheeling and Wholesale

1. From January through September 2016:
 - a. By September RPU will wheel 5,708 acre-ft
 - b. Gross Revenues about \$2.7 Million
2. Proposed September through February 2017:
 - a. Wholesale about 5,000 acre-ft
 - b. Estimated Gross Revenues of \$3.5 Million
 - c. WMWD to save about \$1.1 Million



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Recommendation

That the City Council:

1. Approve the Second Amendment to the Cooperative Agreement for Production and Conveyance between City of Riverside and Western Municipal Water District of Riverside County; and
2. Authorize the City Manager or designee to execute the amendment.



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