



Arts & Innovation

First Amendment to the 2009 Water Production and Conveyance Agreement with Western Municipal Water District

Utility 2.0 - Monetization of Excess Water Resources

October 16, 2015

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Background

- Water Production and Conveyance Agreement with Western Municipal Water District
 - Approved by Board in 2008
 - Approved by Council, March 30, 2009
 - Authorizes use of underutilized system capacity
 - Built for peak capacity
 - Production/conveyance available off-peak

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Background

- WMWD secures own rights
 - 4,208 from EVMWD (Meeks and Daley)
 - 1,500 from Riverside Highland Water Company
- RPU produces/conveys WMWD's water
 - Recovers energy costs
 - Charges average Operation and Maintenance cost

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Background

- Policy Principles for Water Portfolio Management
 - Approved by City Council October 2014

Riverside will 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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First Amendment

- RPU has underutilized Bunker Hill Basin Rights
 - Drought response
 - Down 5,000 out of 55,000 AF
 - Essentially use or lose water rights

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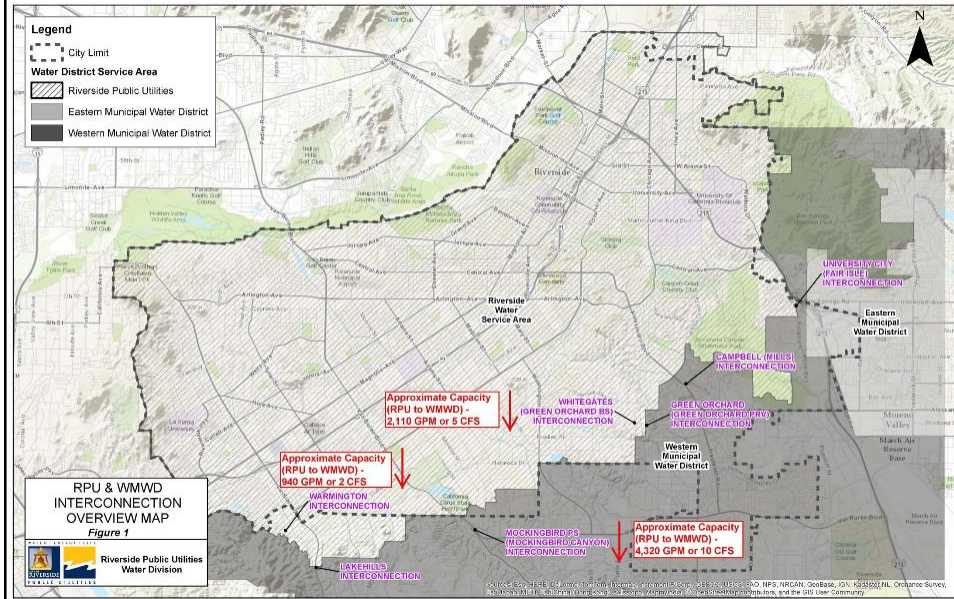
Benefits

- RPU's revenues increase
 - Net about \$1.3 M
 - Estimated \$2.0 M loss for first 2 months of FY 16
- WMWD has access to lower cost source
 - Save about \$0.4 M versus imported water

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Three Interconnections with WMWD



Mockingbird Delivery Site 1200 Zone – 45%



Green Orchard Delivery Site 1650 Zone – 55%



Typical Wheeling Costs (\$/AF)

Leased Water Cost	\$188
Average Production Cost (Typical)	\$40
Average O&M Cost for the System	\$350
Weighted Energy Cost	\$85
Weighted Unit Cost	\$664

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Recommendations

Recommend that the Board of Public Utilities recommend that the City Council:

1. Approve the First Amendment to the 2009 Water Production and Conveyance Agreement with Water Municipal Water District of Riverside County; and
2. Authorize the City Manager or designee to execute the agreement.

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