



Arts & Innovation

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

Public Utilities Board
Monday, August 22, 2016

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Water Management Policy Principles

- Approved in 2014:
 - First and foremost provide quality water to the customer-owners
 - Be a steward of the limited natural resource
 - 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

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

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2015 Wheeling and Wholesale

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

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Second Amendment to the Western Agreement

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

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2016 Wheeling and Wholesale

- From January through September 2016:
 - By September RPU will wheel 5,708 acre-ft
 - \$2.7 Million
- Proposed September through February 2017:
 - Wholesale about 5,000 acre-ft
 - Estimated revenues of \$3.5 Million
 - WMWD to save about \$1.1 Million

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Recommendations

That the Board of Public Utilities recommend 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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