



Long-Term Wheeling and Surplus Water Sales Agreement with Western Municipal Water District

Public Utilities Department

Board of Public Utilities
April 24, 2017

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Water Management Policy Principles

Approved in 2014:

- a) Primarily serve RPU customers
- b) Stewardship of limited natural resources
- c) Appropriately monetize water rights through agreements



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Background

1. 2009 Production and Conveyance Agreement
 - a) Western secures own groundwater
 - b) Electric + O&M charge
2. 2015 First Amendment
 - a) Surplus Water sales – RPU's unused export rights
 - b) Electric + O&M charge + Resource
3. 2016 Second Amendment: Extends Surplus Water sales for an additional year



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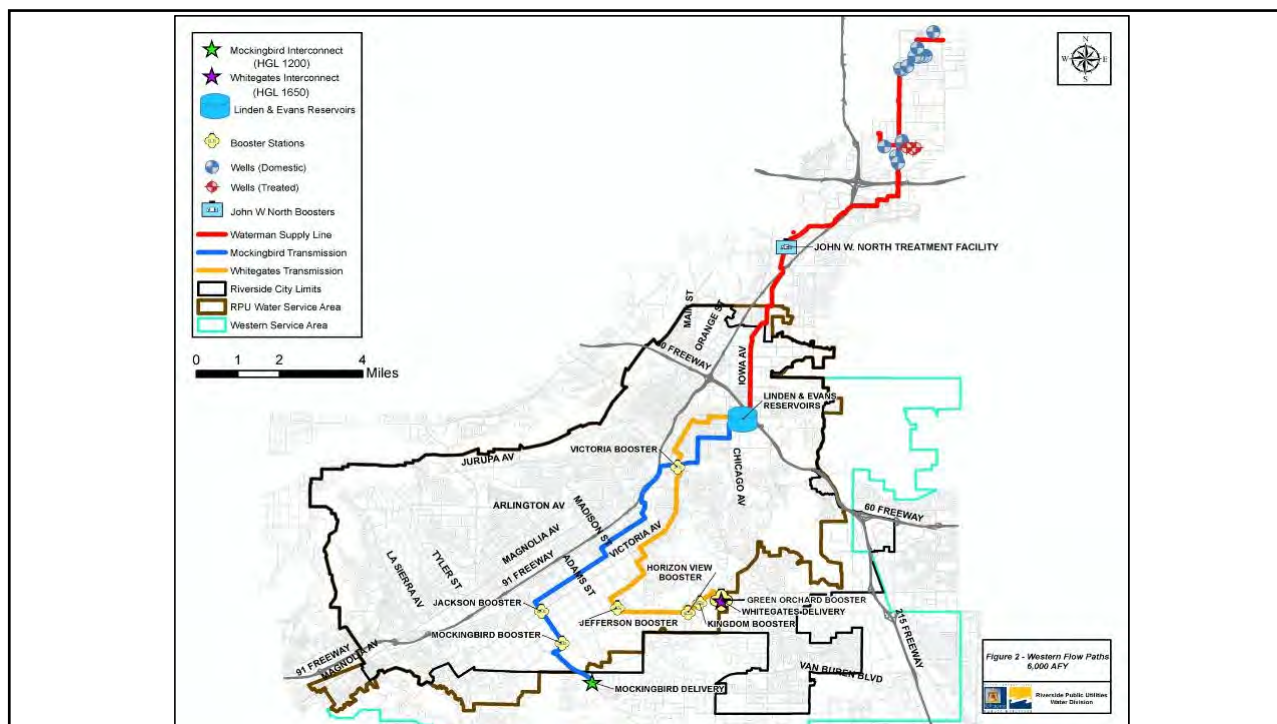
Historical Water Deliveries to Western

1. Calendar Year 2015
 - a) 5,708 AF Wheeled
 - b) 1,442 AF Water Sales
2. Calendar Year 2016
 - a) 5,508 AF Wheeled
 - b) 3,197 AF Water Sales



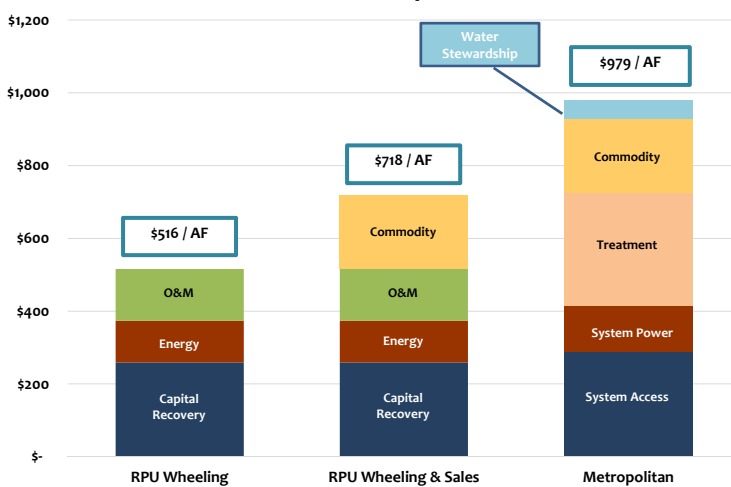
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Economic Impacts & Benefits

2017 Rate Comparison



Western Water (Wheeled Water)

1. 20-year term: 5,408 acre-ft wheeled annually
2. Economic benefit
 - a) RPU Revenue - \$83M
 - b) Western Savings - \$42M
3. Flexibility



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Riverside Water (Surplus Water Sales)

1. 10-year Term: 2,000 acre-ft sold annually
2. Economic benefit
 - a) RPU Revenue - \$17M
 - b) Western Savings - \$4.6M
3. Flexibility



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Regional Water Partnership

1. Additional revenue for RPU
2. Cost-savings for Western
3. Greater water reliability for region
4. Lower rate increases, RPU and Western
5. Greater value for all customers, RPU and Western



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Recommendations

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

1. Approve the Cooperative Agreement for long-term Wheeling and Surplus Water sales with Western Municipal Water District of Riverside County; and
2. Authorize the City Manager or designee to execute the agreement.



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