

**CENTRAL BASIN MUNICIPAL WATER DISTRICT**

**MAY 11, 2004 – Water Resource**  
Morse, Cole

**MAY 24, 2004 – Board Meeting**

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Approved by: Darryl G. Miller

**ACTION CALENDAR**

**MAYWOOD MUTUAL WATER CO. NO.3**  
**PURCHASE AGREEMENT RE-ALLOCATION**

**SUMMARY:**

Maywood Mutual Water Co. No.3 (Maywood) voluntarily entered into an Imported Water Purchase Agreement with the District in 2003. This Purchase Agreement entitles Maywood to purchase imported water at a lower tier rate (Tier 1) before being assessed the higher tier rate (Tier 2). Under the Agreement, Maywood is also committed to purchase a certain amount of imported water from the District over five years (Purchase Commitment).

According to the District's Tier 1 Allocation Policy (Exhibit A), each customer agency has the option, under certain conditions, to either increase or decrease their Tier 1 limit each year.

In early 2004, Maywood, along with three other agencies, requested an increase to their Purchase Agreement Tier 1 limit (Exhibit B). On March 22, 2004, the Central Basin Board approved Maywood's request of increasing their Tier 1 limit.

However, since that time, Maywood has realized that their imported water demand will be higher than originally expected. Therefore, Maywood would like to submit a new request to increase their Tier 1 annual maximum to 250 AF.

**Maywood Mutual Water Co. No. 3**  
**Purchase Agreement Requests**

	<b>Initial Purchase Agreement</b>	<b>March 22, 2004 Request</b>	<b>New Request</b>
Base Allocation	69 AF	250 AF	278 AF
Tier 1 annual limit (90% of Base)	62 AF	225 AF	250 AF
Purchase Commitment 5-year term	207 AF	641 AF	709 AF

The District's Allocation Policy further states that if an unallocated pool of water exists; the District may accommodate an agency's request to increase its Tier 1 limit. Currently, the District has an unallocated pool of 2,217 AF. Therefore, staff has determined that Maywood's revised request can be met.

It should be noted that staff will bring to the Board's attention next month a summary of the District's Tier 1 and Purchase Commitment status with MWD and our purveyors.

FISCAL IMPACTS:

As long as the District is under its Tier 1 limit with Metropolitan Water District, such adjustments will not fiscally impact the District.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resource Committee on May 11, 2004 and recommended approval at the May 24, 2004 Board meeting.

RECOMMENDED MOTION:

That the Board authorizes the General Manager to amend the Purchase Agreement with Maywood Mutual Water Co. No. 3 to Tier 1 annual maximum of 250 AF, and their purchase commitment by 709 AF.

LIST OF EXHIBITS:

- Exhibit "A" - Tier 1 Allocation Policy
- Exhibit "B" - CBMWD Purchase Agreement Re-allocation - March 22, 2003
- Exhibit "C" - Amended Purchases Agreement with Maywood Mutual Water Co. No. 3