

CENTRAL BASIN MUNICIPAL WATER DISTRICT

JUNE 9, 2004 – Water Resource

Morse, Cole

JUNE 28, 2004 – Board Meeting

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Approved by: Richard Nagel

ACTION CALENDAR

COUNTY OF LOS ANGELES - RANCHO LOS AMIGOS
PURCHASE AGREEMENT

SUMMARY:

Prior to 2003, staff met with each customer agency to determine whether they would like to enter into an Imported Water Purchase Agreement with the District. A Purchase Agreement establishes an amount of non-interruptible imported water that an agency is allowed to purchase annually at a lower tier rate (Tier 1 limit) before being assessed the higher tier rate (Tier 2). This agreement also commits an agency to purchase a certain amount of imported water from the District over a five-year term (Purchase Commitment). The County of Los Angeles - Rancho Los Amigos (County) is one of only six customer agencies that elected not to sign an agreement when originally offered.

The District afforded the County multiple opportunities to sign a purchase agreement, and the Board provided two months of relief from the Tier 2 rate, through February 28, 2003.

Since that time, the County has resolved internal issues regarding departmental responsibility for contracting with the District, as well as an analysis of their water supply options, including the use of recycled water at the Los Amigos Golf Course.

Thanks in part to the persistence of the District's Customer Development Department, a decision was made earlier this year to begin design on recycled water service to the golf course; and in April, the County requested an Imported Water Purchase Agreement to meet their potable demands. The County is requesting a Tier 1 annual maximum of 513 acre-feet (AF), and a four year Purchase Commitment of 1,368 AF, effective January 1, 2004. The County's Park and Recreation's Department is responsible for purchasing both recycled and potable water from the District.

FISCAL IMPACTS:

Signing a Purchase Agreement with County does not place the District in excess of its Tier 1 limit with MWD; therefore no financial impact is foreseen.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resource Committee on June 9, 2004 and recommended for approval at the June 28, 2004 Board meeting.

RECOMMENDED MOTION:

That the Board authorize the Co-Acting General Managers to execute an Imported Water Purchase Agreement with the County of Los Angeles - Rancho Los Amigos for a Tier 1 annual maximum of 513 AF, and a four year purchase commitment of 1,368 AF effective January 1, 2004.

LIST OF EXHIBITS:

Exhibit "A" - CBMWD Three letters to the County of Los Angeles - Rancho Los Amigos
(January 8, 2003; March 24, 2003; and February 20, 2004)

Exhibit "B" - CBMWD Purchase Agreement with the County of Los Angeles - Rancho Los Amigos

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