

CENTRAL BASIN MUNICIPAL WATER DISTRICT

JULY 7, 2004 - Water Resources
Morse, Apodaca
JULY 26, 2004 - Board Meeting
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INFORMATION CALENDAR

LONG-TERM SPREADING WATER PURCHASE AGREEMENT

SUMMARY:

The District provides the untreated imported water (Spreading Water) that, together with storm water and recycled water, the Water Replenishment District of Southern California (WRD) uses to replenish the Central Groundwater Basin through the spreading grounds. Because the Spreading Water tends to be the supplemental supply in WRD's replenishment supply mix, the quantity purchased from Central Basin generally fluctuates from year-to-year. To illustrate this variability, Exhibit "A" charts WRD's Spreading Water purchases since fiscal year 1991-92.

The District budgets conservatively for sales of Spreading Water to help mitigate the risk of insufficient operating revenue should sales be less than anticipated. However, when sales have been higher than expected, the District has been subject to criticism for collecting more surcharge revenues than necessary at WRD's expense. A solution that both the District and WRD have been working towards is a Long-Term Purchase Agreement that would flatten large swings in revenue and provide a stable cost structure to the District and WRD.

Over the course of several meetings, the Board's Ad Hoc Committee representatives (Apodaca, Hawkins) and the WRD counterparts have explored terms that would be mutually acceptable to both agencies. Discussions are anticipated to continue to finalize the terms of an agreement.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resource Committee on July 7, 2004 and agendaized to the July 26, 2004 Board meeting as information for discussion.

RECOMMENDED MOTION:

This item is for information only.

LIST OF EXHIBITS:

Exhibit "A" - Chart of WRD's Spreading Water purchases since fiscal year 1991-92