

CENTRAL BASIN MUNICIPAL WATER DISTRICT **MAY 9, 2005 - Water Resources**
 Vasquez, No Quorum
MAY 23, 2005 - Board Meeting
 Prepared by: Harvey De La Torre
 Submitted by: Paul Shoenberger
 Approved by: Richard Nagel

ACTION CALENDAR

2005 PURCHASE AGREEMENT AMENDMENT

SUMMARY:

A majority of Central Basin’s customer agencies voluntarily entered into an Imported Water Purchase Agreement with the District in 2003. The Purchase Agreement entitles each agency to purchase a certain amount of imported water at a lower tier rate (Tier 1) before being assessed the higher tier rate (Tier 2). Under the Agreement, each agency 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 2005, staff sent out letters to each customer agency offering the option to adjust their purchase agreement for 2005. Out of the 21 customer agencies with purchase agreements, only one requested an adjustment:

- Bellflower Somerset Mutual Water Co. requested an increase of 90 acre-feet (AF) to its Tier 1 limit.

The District policy states that it can accommodate a request for an increase if there is an equal amount of agencies willing to increase as well as decrease; or if there exist an unallocated pool of water available. Currently, the District has an unallocated Tier 1 pool of 2,480 AF. Therefore, the District can accommodate Bellflower Somerset’s request for an increase as follows:

2005 Base Reallocation

Customer Agencies	Amount Requested (AF)	%Available of requested Amount	Initial Tier 1 limit (AF)	New Tier 1 Limit
CBMWD Unallocated Pool Available = 2,480 AF				
Bellflower Somerset Mutual Water Co.	+90	100%	2,200	2,290

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 not reviewed by the Water Resources Committee on May 9, 2005. Due to a lack of quorum, Director Vasquez suggested this item be agendaized for consideration at the May 23, 2005 Board meeting.

RECOMMENDED MOTION:

That the Board authorizes the Co-General Managers to amend Bellflower Somerset Mutual Water Co.'s Purchase Agreement to increase its Tier 1 Annual Maximum by 90 AF and the Purchase Commitment by 7,448AF.

LIST OF EXHIBITS:

Exhibit "A" - Tier 1 Allocation Policy

Exhibit "B" - Bellflower Somerset Mutual 2nd Amended Purchases Agreement

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