

ITEM: XII D CAWD/PBCSD WASTEWATER RECLAMATION PROJECT -
REVIEW WATER SALE AGREEMENT RE ROBERT LOUIS
STEVENSON SCHOOL

MEETING DATE: DECEMBER 14, 1992

SUMMARY: At the October 29, 1992 Board meeting, the Board approved the Agreement for Sale of Reclaimed Water with Robert Louis Stevenson School (RLS), with a one-word modification in Section 6.4 of the agreement. Since that time, a revised version of Section 6.4 has been developed (see Exhibit A), and this revision was approved by the RLS Board of Directors on December 4, 1992. With this item, the Board should review the revised Section 6.4 of the agreement, and approve it if it is satisfactory.

RECOMMENDATION: Staff recommends that the Board approve the revised language of Section 6.4 as shown in Exhibit A, and authorize staff to execute the agreement with RLS School.

BACKGROUND: At the October Board meeting, the Board approved the Agreement for Sale of Reclaimed Water with RLS School, with one change to the language of Section 6.4. This is a unique section added to the agreement for RLS School, which addresses the possibility that RLS School's ability to comply with future rationing requirements may be affected by their participation in the reclamation project.

The parties involved in these negotiations have taken a second look at the language since the Board action in October, and a revised version of Section 6.4 has been proposed. This revision has been considered and approved by the RLS Board of Directors on December 4, 1992. If satisfactory, the Board should approve the agreement and authorize staff to execute it.

EXHIBIT A

6.4 Special Circumstances of Buyer in Future Water Supply Emergencies. The parties acknowledge that Buyer operates the School as a private, non-profit secondary educational institution, and that the athletic fields to be irrigated with Reclaimed Water are an integral part of the School's campus which also includes facilities which require potable water for domestic purposes such as classroom and dining facilities for resident and day students and faculty, resident student dormitories and faculty housing. The parties further acknowledge that Buyer's ability to reduce potable water use for the domestic purposes described above is limited, on account of permanent conservation measures implemented by Buyer, and that Buyer, to fully meet the potable water reductions required by water rationing in past water supply emergencies, has relied on reducing potable water irrigation of the athletic fields. WMD recognizes and agrees that Buyer's ability to reduce its total Cal-Am water consumption during water supply emergencies and/or water rationing will be diminished as a result of Buyer's participation in the Reclamation Project.

In the event that, after the Commercial Operation Date, WMD declares a water supply emergency and/or imposes water rationing on users of potable water within the Cal-Am service area, WMD agrees that consideration shall be given to Buyer's participation in the Reclamation Project and the resulting effect on Buyer's ability to comply with the water rationing requirements effective at that time, so that Buyer does not suffer a detriment or disadvantage in Buyer's ability to meet the water rationing requirements then in effect on account of Buyer's participation in the Reclamation Project. This consideration shall not bind or limit the WMD Board's discretion.