



Board of Directors:

SUSIE KOESTERER, President
ELLEN SPIEGEL, Vice President
KRISTINA BREWER, Director
MARCIA MARCUS, Director
BOB NAST, Director

AKBAR ALIKHAN
General Manager

353 Santa Monica Drive · Channel Islands Beach, CA · 93035-4473 · (805) 985-6021 · FAX (805) 985-7156
A PUBLIC ENTITY SERVING CHANNEL ISLANDS BEACHES AND HARBOR · CIBCSD.COM

Regular Board Meeting, October 10, 2017

To: Board of Directors
From: Akbar Alikhan, *General Manager*
Subject: Summary of Agreements for Core Services
Item No. E-2

RECOMMENDATION:

Receive and file report.

FINANCIAL IMPACT: No funding requested.

BACKGROUND/DISCUSSION:

The District is engaged in several service agreements with neighboring agencies to provide water, sewer, and solid waste service to District residents. These service agreements allow the District to leverage the collective resources of its neighbors to maintain a high level of service. This report is a summary of the District's existing long-term service agreements. This summary also contains agreements where Port Hueneme Water Agency (PHWA) is the named party.

The District is currently engaged in the following eight service agreements, either directly or via PHWA:

	Official Name	Commonly Referred to As
1.	Three Party Water Supply Agreement	Three Party Agreement
2.	Water Supply Agreement for Delivery of Water through the Oxnard/Hueneme Pipeline	OH Pipeline Agreement
3.	Water Service Agreement between the County of Ventura and the Channel Islands Beach Community Services District	Harbor Service Agreement
4.	Water Sales Agreement between the PHWA and the CIBCSD	PHWA Water Sales Agreement
5.	Water Treatment, Plan Site Facilities, and Land Lease Agreement	PHWA Land Lease
6.	Wastewater Transportation and Treatment Agreement	Wastewater Service Agreement
7.	Agreement for Formation of a Joint Powers Agency	PHWA Formation
8.	Agreement between Channel Islands Beach Community Services District and E.J. Harrison and Sons, Inc. for Collection, Diversion, Transport and Disposal of Solid Waste and Recyclable Materials	Solid Waste Agreement

No. 1: Three Party Agreement

Parties

PHWA
City of Oxnard
Calleguas Municipal Water District (CMWD or Calleguas)

Term

Effective Date: 12/10/2002
Expiration Date: 6/30/2036

Purpose:

- Allows PHWA to enter into a pooled water purchase order with Oxnard to avoid system peaking charges from CMWD, an estimated \$95,000 per year (2002).
- During periods of peaking demand, PHWA receives State water from Oxnard, not directly from CMWD.
- Required upgrading of emergency interconnections between Oxnard and PHWA to allow for regular ongoing use and only for emergency use.

Recent Developments

- No recent developments, but the future of PHWA and its water supply will affect or materially dissolve the Three Party Agreement.

No. 2: OH Pipeline Agreement

Parties

Contractors (including PHWA, Oxnard, and several smaller groundwater recipients)
United Water Conservation District (UWCD or United)

Term

Effective Date: 7/1/1996
Expiration Date: 6/30/2036

Purpose:

- Reduce groundwater extractions in coastal areas and the Oxnard Plain by shifting pumping operations to more inland areas (Montalvo Forebay) to avoid seawater intrusion and other environmental impacts
- Terms of rates and service for how groundwater is delivered from United Water Conservation District's groundwater wells to PHWA, including quantity, reserved capacity, and establishment of enterprise fund for OH Pipeline activities

Recent Developments

- Contractors and retained counsels have been negotiating revisions to the existing agreement and are nearly complete with revised language to the agreement.
- Revised language includes discussion of Groundwater Sustainability Plan, terms of withdrawal, and terms of future contractors (new connections to pipeline).
- New agreement will likely come before PHWA Board prior to FY 2018-2019 fiscal year.

No. 3: Harbor Service Agreement

Parties

Channel Islands Beach CSD
County of Ventura

Term

Effective Date: 10/22/1996
Expiration Date: 10/22/2026, capacity share debt paid in 2021

Purpose:

- Provides terms of water service between the District and the Harbor including asset ownership, terms of separation, rate equity, and process of setting rates.
- Rate equity clause – Harbor portion of District revenues must be equal or less than Harbor's percentage of total District water use.
- Obligates the District to provide up to 465 acre feet per year for Harbor use and retain capacity in PHWA for such purpose.
- County can unilaterally withdraw from the agreement at any time with payment of outstanding PHWA capacity debt, outstanding O&M obligations, cost to tie-in District facilities at each end of Harbor property, and one year notice.

Recent Developments

- While Harbor water use has been well below the reserved 465 acre foot threshold, the redevelopment of the Casa Sirena Hotel and the proposed development of Fisherman's Wharf will increase demand in future years. The District has ample reserved capacity in PHWA to meet both Harbor and Non-Harbor demand.
- The District and Harbor's debt associated with PHWA capacity will be retired in 2021.

No. 4: Water Sales Agreement with PHWA

Parties

Channel Islands Beach CSD
PHWA

Term

Effective Date: 7/1/1996
Expiration Date: 7/1/2036

Purpose:

- Provides terms of water service between the District and the PHWA including participation in the Water Treatment Plant Facilities (WTPF), estimated usage by District, and demand/pressure specifications.

Recent Developments

- No proposed or discussed changes to contract language.
- Any amendments to PHWA Formation (JPA Agreement) may affect this agreement.

No. 5: Land Lease Agreement

Parties

PHWA
City of Oxnard

Term

Effective Date: 2/13/1996
Expiration Date: 2/13/2016

Purpose:

- Provides terms of lease for PHWA facility at the City's preferred location.
- Restricts footprint of facility to 1.5 acres.
- Commitment by parties to acknowledge and consider regional partnerships for future development at project site.

Recent Developments

- Lease has continued beyond the agreement length.
- City of Oxnard has approached PHWA staff about relocating plant facilities to allow for future expansion of City facilities.

No. 6: Wastewater Service Agreement

Parties

Channel Islands Beach CSD
City of Oxnard

Term

Effective Date: 6/13/2006
Expiration Date: 6/13/2036

Purpose:

- Provides terms of service for conveyance and treatment of sewage from District.
- Includes reimbursement provision for homes in Oxnard service area which use District wastewater lines to transport sewage to Redwood Trunk connection (91% of bill total).
- Obligates the District to pay for capital improvements related to construction of Redwood and Victoria Trunk lines.

Recent Developments

- Oxnard staff has recently submitted an invoice to the District and City of Port Hueneme for true-up of construction costs of Redwood and Victoria trunk lines. Staff will be reviewing the invoice with Oxnard staff in the coming months.

No. 7: PHWA Formation

Parties

Channel Islands Beach Community Services District
City of Port Hueneme

Term

Effective Date: 7/20/1994

Expiration Date: 7/20/2019, or expiration date of PHWA agreement with UWCD

Purpose:

- Terms of creation, governance, and operation for PHWA for the development of a cost-effective means to provide quality potable water to the region.
- Detailed specific authority to acquire real property, build plant facilities, enter into agreements with wholesale water suppliers, and engage professional services.
- Most recently amended in 2002 to accommodate the Three Party Agreement.

Recent Developments

- Staff has discussed introduction of Fourth Amendment to name Channel Islands Beach CSD General Manager as the Assistant Executive Director of PHWA.
- Water Supply Strategic Planning exercise that is currently underway will help inform the future of PHWA.

No. 8: Solid Waste Agreement

Parties

Channel Islands Beach Community Services District
EJ Harrison & Sons, Inc.

Term

Effective Date: 1/31/2013

Expiration Date: 1/31/2018

Purpose:

- Franchise agreement for solid waste hauling, recycling, and large bin provider.
- Agreement also includes Christmas tree disposal, two large item residential pick-ups per customer, and disabled walk-in service.
- Rates paid to contractor are reduced by 15% for District franchise fee credit.

Recent Developments

- Contractor and staff have engaged in discussions for renewal of service agreement. Renewal will come before the Board at the December Board Meeting.

ATTACHMENT: Tabular Summary of Agreements for Core Services

Tabular Summary of Agreements for Core Services

Agreement Name	Party 1	Party 2	Effective Date	Expiry Date	Scope
Three Party Water Supply Agreement	City of Oxnard PHWA	Calleguas MWD	12/10/2002	6/30/2036	Allows PHWA to enter into a pooled water purchase order with Oxnard to avoid system peaking charges from Calleguas
Oxnard Hueneme Pipeline Agreement	PHWA City of Oxnard Other Contractors	United Water CD	1/1/1996	6/30/2036	Reduces groundwater extractions in coastal areas and the Oxnard Plain by shifting pumping operations to more inland areas
Water Service Agreement between County of Ventura and CIBCSD	CIBCSD	County of Ventura	10/22/1996	10/22/2026	Terms of water service delivered to Harbor customers
Water Sales Agreement between PHWA and CIBCSD	PHWA	CIBCSD	6/10/1996	6/10/2036	Terms of water delivered to District via PHWA
Land Lease Agreement	PHWA	City of Oxnard	2/13/1996	2/13/2016	Terms of lease of land for PHWA's water treatment facility
Wastewater Transportation and Treatment Agreement	CIBCSD	City of Oxnard	6/13/2006	6/13/2036	Charges for service and capital costs charged by City to District for conveyance and treatment of sewage.
PHWA Formation Agreement	City of Port Hueneme	CIBCSD	7/20/1994	7/20/2019	Terms of creation, governance, and operation for PHWA
Solid Waste Agreement	CIBCSD	EJ Harrison	1/31/2013	1/31/2018	Terms of service for refuse disposal, collection, recycling, and diversion.