



SPECIAL WATER AND WASTEWATER ENTERPRISE WORKSHOP CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE AUTHORITY MEETING AGENDA

**February 8, 2024
6:00 PM**

The Mission of the City of Coalinga is to provide for the preservation of the community character by delivering quality, responsive City services, in an efficient and cost-effective manner, and to develop, encourage, and promote a diversified economic base in order to ensure the future financial stability of the City for its citizens.

Notice is hereby given that the City Council will hold a Special Meeting, on February 8, 2024, in the City Council Chambers located at 155 West Durian, Coalinga, CA. Persons with disabilities who may need assistance should contact the Senior Administrative Analyst at least 24 hours prior to this meeting at 559-935-1533 x130. The Special Meeting will begin at 6:00 p.m. and the agenda will be as follows:

1. CALL TO ORDER

1. Pledge of Allegiance
2. Changes to the Agenda
3. Council's Approval of Agenda

2. AWARDS, PRESENTATIONS, APPOINTMENTS AND PROCLAMATIONS (NONE)

3. CITIZEN COMMENTS

This section of the agenda allows members of the public to address the City Council on any item within the jurisdiction of the Council. Members of the public, when recognized by the Mayor, should come forward to the lectern, identify themselves and use the microphone. Comments are normally limited to three (3) minutes. In accordance with State Open Meeting Laws, no action will be taken by the City Council this evening and all items will be referred to staff for follow up and a report.

Citizen Comments submitted in writing to the City Clerk by 5:00pm on the day of the City Council meeting shall be distributed to the City Council and included in the record,

however they will not be read.

4. PUBLIC HEARINGS (NONE)

5. CONSENT CALENDAR

1. City Council Authorization to a One-time Water Sale to Westside Mutual Water Company, LLC for Excess USBR Water Supply

6. ORDINANCE PRESENTATION, DISCUSSION AND POTENTIAL ACTION ITEMS

1. 2021 Water Bond Projects Update
2. Water Treatment Plant and Wastewater Treatment Plant Solar Projects Update and Financing Plan

7. ANNOUNCEMENTS

1. City Manager's Announcements
2. Councilmembers' Announcements/Reports
3. Mayor's Announcements

8. FUTURE AGENDA ITEMS

9. CLOSED SESSION (NONE)

10. CLOSED SESSION REPORT

Closed Session: A "Closed" or "Executive" Session of the City Council, Successor Agency, or Public Finance Authority may be held as required for items as follows: personnel matters; labor negotiations; security matters; providing instructions to real property negotiators; legal counsel regarding pending litigation; and protection of records exempt from public disclosure. Closed session will be held in the Administration Building at 155 W. Durian Avenue and any announcements or discussion will be held at the same location following Closed Session.

11. ADJOURNMENT

STAFF REPORT - CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE AUTHORITY

Subject: City Council Authorization to a One-time Water Sale to Westside Mutual Water Company, LLC for Excess USBR Water Supply
Meeting Date: Thursday, February 8, 2024
From: Marissa Trejo, City Manager
Prepared by: Sean Brewer, Assistant City Manager

I. RECOMMENDATION:

Council Authorizing A One-time Water Sale to Members of the Westside Mutual Water Company, LLC of excess contract water supply from water year 2023/2024 ending February 29, 2024.

II. BACKGROUND:

The City has a long history already of providing excess USBR water to various farmers, water groups and Westland's. During the 2023/2024 water year, the City has received its full allotment of 10,000 acre-feet of USBR water. Presently, the City is projected to have a surplus of approximately 5,000 acre-feet of water at the end of the water year on February 29, 2024.

III. DISCUSSION:

The City has been actively looking for folks who would need additional water supply in order to assist the City. The City has been in touch with the Westside Mutual Water Company in Kern County. This proposed one-time sale is for USBR water belonging to Coalinga that will be transferred to Westside Mutual Water Company, by Coalinga, then sold by Coalinga to the Kern-Tulare Water District.

The sale of year-end excess USBR water is beneficial to the City, and specifically to water ratepayers, because the sale price covers all of Coalinga's USBR costs, including a \$25 per acre-foot margin.

The effort required by the City for water sale is administrative and financial only. The contract must be prepared and executed. The financial aspect is that the City will take title to and pay for the additional USBR water going to the end user. In order to assure payment to the City of amounts due, the proposed contract specifies that Westside Mutual Water Company, LLC is responsible for the full amount, or an equivalent level of guarantee will be provided in the contract.

Councils action approves the sales agreement for the Mayor's signature and authorizes the City Manager to approve the transfer of the water to the Westside Mutual Water Company, LLC.

IV. ALTERNATIVES:

The alternative is not to sell excess USBR water. If so, the City will lose further rights to the excess water after February 29th because the City cannot carry over the water.

V. FISCAL IMPACT:

Assuming 4,400 AF of sales the City will benefit in the amount of \$110,000. The agreement specifies that if any of the cost components change that the price to the buyer will be adjusted accordingly such that the revenue to the city is protected. There will likely be an adjustment to the price based on the cost of conversion from “Municipal and Industrial” water to “Agricultural” water.

ATTACHMENTS:

File Name	Description
Wonderful_City_of_Coalinga_Purchase_Agreement_2024_02_01.docx	Water Transfer Agreement Wonderful - COC

WATER TRANSFER AGREEMENT

This water transfer agreement (AGREEMENT) is made and entered into this 8th day of February 2024, by and between the City of Coalinga ("City") and Westside Mutual Water Company, LLC ("Westside Mutual"), or collectively, "the Parties."

WITNESSETH

WHEREAS, the City has excess water during the 2023/2024 water year that it is able to sell benefiting water ratepayers taking services from the City's water system; and

WHEREAS, the City has made available up to 4,400 acre-feet of San Luis Unit Central Valley Project (CVP) water supplies for transfer (TRANSFER WATER); and

WHEREAS, Westside Mutual desires to acquire TRANSFER WATER for transfer to Kern-Tulare Water District (KTWD); and

WHEREAS, this AGREEMENT will cause the water to be converted from "Municipal and Industrial" to "Agricultural" pursuant to Bureau of Reclamation's definitions; and

WHEREAS, Westside Mutual shall pay to Coalinga the adjusted USBR cost of the water and shall pay all conveyance costs to move the water.

NOW, THEREFORE, the Parties agree as follows:

1. TRANSFER WATER shall be available to Westside Mutual during February 2024 based on a mutually agreeable delivery schedule. No deliveries or obligations shall extend beyond February 29, 2024.
2. TRANSFER WATER shall be deemed delivered upon confirmation from the Bureau of Reclamation (Reclamation) or KTWD that TRANSFER WATER has been scheduled for delivery to KTWD for the benefit of Westside Mutual.
3. Westside Mutual shall reimburse Coalinga for, or otherwise pay directly to Reclamation, the San Luis and Delta Mendota Water Authority and KTWD all costs, losses and approvals associated with the delivery of TRANSFER WATER to KTWD for the benefit of Westside Mutual.
4. In addition to costs in Section 3, Westside Mutual shall pay Coalinga \$25.00 for each acre-foot of TRANSFER WATER transferred under this AGREEMENT.
5. The Parties shall determine through operating communication the specific quantity of water to transfer.
6. The delivery point of the water shall be as determined by Reclamation.
7. This AGREEMENT is subject to receipt of all necessary approvals and KTWD's capacity to receive deliveries of TRANSFER WATER prior to March 1, 2024.
8. The billing address for invoices to Westside Mutual is:
Attn: Kimberly Brown
Vice President, Company Resources
Westside Mutual Water District
6801 E Lerdo Highway
Shafter, CA 93263

9. Within 30 days of receipt of an invoice and after review and acceptance of applicable charges, Westside Mutual shall pay Coalinga for the invoiced amount.
10. The obligations of the City and Westside Mutual to perform under this AGREEMENT are conditioned upon ongoing compliance, approvals and consents, including without limitation consent from Reclamation, KTWD, San Luis Delta Mendota Water Authority, and any other authority with jurisdiction impacting this AGREEMENT.
11. Neither the City, nor its City Manager, nor any City Council member, department head, manager, employee, consultant, or agent of City, shall give to or receive from any director, employee or agent of Westside Mutual or any affiliate thereof any gift or entertainment of significant value, or any commission, fee, or rebate in connection with this AGREEMENT.
12. This AGREEMENT may be delivered between the Parties by email, and email may be used by the Parties provided confirmation is given by the receiving party.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT on the day and year first hereinabove set forth.

City of Coalinga

Westside Mutual Water Company, LLC

By: _____

By: _____

Name: Marissa Trejo

Name: Kimberly Brown

Title: City Manager

Title: Vice President