
**Agreement for Purchase of
Recycled Water Between the
City of Escondido and Rincon
del Diablo Municipal Water
District**

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AGREEMENT FOR PURCHASE OF RECYCLED WATER
BETWEEN CITY OF ESCONDIDO AND
RINCON DEL DIABLO MUNICIPAL WATER DISTRICT

THIS AGREEMENT FOR PURCHASE OF RECYCLED WATER ("Agreement"), by and between the Rincon del Diablo Municipal Water District, a municipal water district organized and operating pursuant to the Municipal Water District Law of 1911, California Water Code section 71000 *et seq.* ("District"), and the City of Escondido, a California general law city ("City"), is made effective as of the 9th day of February, 1999.

RECITALS

A. The District provides potable water service to a service area consisting of approximately 31,000 acres located in the north central coastal region of the County of San Diego, State of California.

B. All of the water which the District presently receives is imported water derived from the Colorado River and the California Aqueduct systems and transported to the District by the Metropolitan Water District ("MWD") and the San Diego County Water Authority ("SDCWA").

C. The SDCWA has from time to time notified the District that existing water demands may require a reduction in the water presently being provided to the District from the SDCWA.

D. The District desires to meet the growing demand for water within its service area and to compensate for the potential reduction in future imported water by providing facilities to distribute recycled water within the water service jurisdiction of the District.

E. In order to provide recycled water within its service area, the District must secure a source of supply from existing treated wastewater and construct expensive new capital facilities to store and distribute recycled water within the service area of the District.

F. The City provides sewage collection and treatment services to the geographic area generally known as Escondido and, by agreement, treatment service for sewage generated within the City of San Diego from the area commonly known as Rancho Bernardo.

G. The City and the District have adopted a policy of encouraging the use of recycled wastewater in the region as a water conservation measure.

H. The City currently discharges approximately 14 million gallons per day ("MGD") of secondary treated wastewater from its Hale Avenue Sewage Treatment Plant ("Hale Treatment Plant") to the Pacific Ocean via the Escondido Land Outfall ("Outfall").

I. The City has agreed to design and construct recycled water facilities, meeting all standards of Title 22 of the California Code of Regulations for unrestricted body contact, at the Hale Treatment Plant with transportation of the treated effluent through a reclaimed water distribution system to a turnout location for use by the District.

J. The City has agreed to deliver peak flows up to 2.0 MGD of its Title 22 effluent from the Hale Treatment Plant and Outfall to the District so as to provide the District with a source of high quality treated wastewater in accordance with the terms of this Agreement.

K. For purposes of this Agreement, "Year" shall be defined as July 1 through June 30 of the following calendar year.

AGREEMENT

1. Incorporation of Recitals. The Recitals set forth above are hereby made a part of this Agreement and are incorporated herein as though set forth in full by this reference.

2. Term. The term of this Agreement shall be thirty-four (34) years, commencing February 9th, 1999, and ending February 9th, 2033.

3. Extension of Term. The District shall be entitled to extend this Agreement for additional ten (10) year periods by giving the City written notice of its desire to extend the term at least ninety (90) days in advance of the scheduled termination date. The price of Recycled Water during any extensions of the term of this Agreement shall continue to be adjusted in accordance with Section 10 of this Agreement.

4. Quality of Recycled Water to Be Provided by City. The City agrees to provide the District with recycled water ("Recycled Water") which meets all federal, state, and local standards for the use of recycled water for unrestricted body contact, and which complies with all requirements of Title 22 of the California Code of Regulations for unrestricted body contact. The City agrees that this Recycled Water shall meet oxidized recycled water standards as defined in Title 22, California Code of Regulations, Chapter 3, Article 1, Section 60301, Definition (n). "Oxidized wastewater" means wastewater in which the organic matter has been stabilized, is non-putrescible, and contains dissolved oxygen. The City agrees that the Recycled Water provided to the District will contain a total dissolved solids concentration not greater than 1000 milligrams per liter with a biological oxygen demand of 30 milligrams per liter, and 30 milligrams per liter of suspended solids meeting the Environmental Protection Agency's "30/30 Rule." The parties agree that this Recycled Water will meet all federal, state, and local requirements for unrestricted body contact as these requirements may change from time to time during the term of this Agreement.

5. Cooperation to Reduce Total Dissolved Solids Concentration. The parties agree to cooperate and to work diligently to have the City of San Diego ban self-regenerating water softeners and to require the City of San Diego to require pre-treatment of all manufacturing, business, and commercial uses so as to reduce the total dissolved solids

concentration to 900 milligrams per liter or below.

6. Design and Construction of City's Recycled Water Facilities. The City shall design and construct recycled water facilities at its Hale Treatment Plant and a distribution system (collectively, "City's Recycled Water Facilities"). The City's Recycled Water Facilities shall be capable of delivering to the District not less than 2.0 MGD during Peak Demand periods, and not less than 0.4 MGD at all other times. The City's Recycled Water Facilities shall be constructed in such a manner to provide a turnout location, acceptable to the City and the District, necessary to deliver Recycled Water from the Hale Avenue Treatment Plant to the District. All fees and costs to design, construct, own, operate, modify, maintain, and repair the City's Recycled Water Facilities shall be paid for solely by the City, and ownership of the City's Recycled Water Facilities shall be vested solely in the City. The City's Recycled Water Facilities are more particularly shown on Exhibit "A" which is attached and incorporated herein by this reference. For purposes of this Agreement, "Peak Demand" shall be defined as the maximum amount of Recycled Water used by the District in a 24-hour period.

7. Design and Construction of District's Recycled Water Facilities. The District shall design and construct recycled water facilities ("District's Recycled Water Facilities") capable of using not less than 462 acre-feet per year of Recycled Water being provided by the City in accordance with this Agreement. The design and construction of the District's Recycled Water Facilities shall be determined solely by the District so long as the District's Recycled Water Facilities are capable of using at least 462 acre-feet per year of Recycled Water from the City's Recycled Water Facilities. All fees and costs to design, construct, own, operate, modify, maintain, and repair the District's Recycled Water Facilities shall be paid for solely by the District, and ownership of the District's Recycled Water Facilities shall be vested solely in the District.

8. Quantity of Recycled Water to Be Delivered and Purchased. The City agrees to provide the District with not less than 0.4 MGD, and not less than 2.0 MGD during Peak Demand periods, of Recycled Water from the Commencement Date, as defined below, of service from the City's Recycled Water Facilities upon request from the District. The District shall purchase a minimum of 462 acre-feet of Recycled Water each year, whether or not the District actually uses this amount of Recycled Water; provided, however, that during service disruptions from any cause, the obligation of the District to purchase Recycled Water shall be suspended and the 462 acre-feet per year commitment shall be reduced pro rata based upon the number of days per year service is actually provided to the District divided by 365 days and multiplied by 462 acre-feet. "Service disruption" shall mean the inability of the City to provide 2.0 MGD of Recycled Water to the District for a period of 24 hours or longer.

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If the District uses less Recycled Water during a given year than it is obligated to purchase pursuant to this section, the amount of Recycled Water purchased but not used shall be credited to the District and shall be available for use by the District in accordance with the provisions of this section in future years. The District may accumulate indefinitely a credited quantity not to exceed 924 acre-feet of Recycled Water which the City shall be obligated to deliver to the District at a price equal to the difference between the amount paid by the District for such credited quantity and the then-prevailing rate for purchases of Recycled Water by the

District under the terms of this Agreement.

9. **Completion Date for City's Recycled Water Facilities.** The City agrees to complete the City's Recycled Water Facilities so that it can deliver not less than 0.4 MGD of Recycled Water to the District, with a Peak Demand capacity of 2.0 MGD, and otherwise meet all requirements of this Agreement by no later than July 1, 2001. The failure of the City to complete the City's Recycled Water Facilities so that the City is capable of delivering not less than 0.4 MGD of Recycled Water daily, and 2.0 MGD daily during Peak Demand periods, by no later than July 1, 2001 ("Delivery Date"), shall constitute a material breach of this Agreement entitling the District to unilaterally terminate this Agreement by giving written notice to the City no later than 5:00 p.m. Pacific Standard Time on August 1, 2001. This right to terminate is separate from and in addition to the termination rights contained in Section 14 of this Agreement. It is the intention of the District to have all of its facilities completed by July 1, 2001. The District shall have no obligation to purchase any Recycled Water from the City until the City has completed the City's Recycled Water Facilities capable of delivering to the District not less than 0.4 MGD of Recycled Water, with a Peak Demand Capacity of 2.0 MGD.

10. **Price and Payments Terms for Recycled Water.** Commencing on the later of July 1, 2001, or the date the City actually begins delivering to the District not less than 0.4 MGD of Recycled Water ("Commencement Date"), the parties agree that the price per acre-foot payable by the District for Recycled Water purchased from the City shall be \$487 per acre-foot. This price per acre-foot shall remain in effect for the balance of the Year in which the City commences delivering Recycled Water to the District of the quantity and quality required by this Agreement.

Thereafter, on July 1 each year, the Consumer Price Index - All Urban Consumers (base years 1982-1984 = 100) for Los Angeles-Anaheim-Riverside, published by the United States Department of Labor, Bureau of Labor Statistics ("Index"), for the month of June immediately preceding ("Comparison Index"), shall be compared with the Index for the month of June immediately following the Commencement Date ("Beginning Index").

If the Comparison Index has increased or decreased over the Beginning Index, the price per acre-foot of Recycled Water during the next Year shall be set by multiplying the initial price per acre-foot set forth above by a fraction, the numerator of which is the Comparison Index and the denominator of which is the Beginning Index; provided, however, that the price per acre-foot of Recycled Water shall not (a) increase more than five percent (5%) from any one Year to the next Year, (b) exceed 90% of the then-prevailing SDCWA filtered non-interruptible water rate, nor (c) exceed 90% of the lowest rate charged by the City to any of its customers for Recycled Water. As soon as the adjusted price per acre-foot of Recycled Water is calculated, the City shall give the District notice of the new price per acre-foot for the next Year.

If the Index is changed so that the base year differs from that used as of the month most immediately preceding the date the term commences, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same

result as would be obtained if the Index had not been discontinued or revised.

The City shall bill the District monthly for Recycled Water utilized during the preceding month computed by reading the meter for quantity and multiplying this quantity by the price per acre-foot computed in accordance with this Agreement. All such bills shall be payable within thirty (30) days following receipt by the District. If the amount of Recycled Water actually utilized by the District in any Year is less than 462 acre-feet, the balance payable by the District to meet this minimum quantity shall be billed to the District each year on July 1 of the following Year and shall be paid within thirty (30) days of receipt of the bill.

In the event of a billing dispute, the parties agree to meet and confer in an effort to resolve the dispute as quickly as possible. The City agrees to provide the District with all meter readings and data relied upon by the City in formulating the monthly bills promptly upon request.

11. **Recycled Water Credits.** The City understands and acknowledges that the District's financial projections require and anticipate \$350 per acre-foot of recycled water credits from the MWD and the SDCWA recycled water incentive programs. These credits consist of \$250 per acre-foot from the MWD from the Local Resources Program (June 1998) and \$100 per acre-foot from the SDCWA Recycled Water Development Fund. In order for the District's recycled water project to produce sufficient revenues to economically function, the parties agree that all credits and reimbursements paid by the MWD for the Local Resources Program (June 1998), or any successor program, and the SDCWA Recycled Water Development Fund, or any successor program, in the District's service territory shall be paid to the District in accordance with the rules and regulations of these respective incentive programs, and shall belong solely to the District. The parties further agree that the District shall be entitled to all future credits or reimbursements provided by any governmental agency for retail sales of Recycled Water within the District's service territory.

12. **Water Emergency Demands.** The City agrees to allow the District to purchase, in times of Water Emergencies, Available Water from the City at the then-prevailing SDCWA filtered non-interruptible water rates. For purposes of this Agreement, "Available Water" shall mean the water in the City's water system from either the SDCWA or local supplies. For purposes of this Agreement, "Water Emergency" shall mean a circumstance in which imported water deliveries to member agencies of the SDCWA are curtailed because of a natural or man-made physical disruption in the regional water delivery facilities of the SDCWA, the MWD, and/or any other entities responsible for providing water supplies to the San Diego region.

13. **Water Shortages.** The City agrees to allow the District to purchase, in times of Water Shortages, Available Water in an amount sufficient to make the proportional reductions in total water deliveries equal for both parties at the then-prevailing SDCWA filtered non-interruptible water rates. For purposes of this Agreement, "Water Shortages" shall mean a reduction by the SDCWA of imported water deliveries to member agencies because of drought conditions.

14. **Termination of Agreement for Economic Reasons.** In the event the City determines that it is not economically feasible for the City to proceed with development of Recycled Water in the manner contemplated by this Agreement, or through any alternative project for the development of Recycled Water, the City shall be entitled to unilaterally terminate this Agreement by giving written notice to the District no later than 5:00 p.m. Pacific Standard Time on July 1, 2001. The City shall have no right to terminate this Agreement under this section if it intends to proceed with the recycled water project described in this Agreement, or any alternative recycled water project as of July 1, 2001. The right of the City to terminate this Agreement as described in this section shall automatically expire on July 1, 2001, at 5:01 p.m. Pacific Standard Time, if written notice of termination is not delivered to the District by that time.

In the event the District determines that it is not economically feasible for the District to proceed with development of the District's Recycled Water Facilities contemplated by this Agreement, the District shall be entitled to unilaterally terminate this Agreement by giving written notice to the City no later than 5:00 p.m. Pacific Standard Time on July 1, 2001. The right of the District to terminate this Agreement as described in this section shall automatically expire on July 1, 2001, at 5:01 p.m. Pacific Standard Time, if written notice of termination is not delivered to the City by that time.

In the event either party elects to terminate this Agreement in accordance with this section, the terminating party shall provide the other party with the economic facts justifying termination of this Agreement as part of the termination notice. Nothing contained in this section shall be construed as allowing either party to terminate this Agreement except upon a showing that development of Recycled Water is not economically feasible at the time the termination notice is given.

15. **Service Interruptions.** The City agrees to notify the District, in writing, at least thirty (30) days prior to scheduling any service interruptions caused by normal repair and maintenance. The City agrees that such service interruptions shall not exceed a period of twenty-four (24) hours so as to minimize the harm to the District's retail customers. Service interruptions caused by emergencies or Acts of God shall be promptly repaired by the City, at the City's sole cost and expense, so as to minimize the period of service interruption to the District. Where the service interruption has been caused by any emergency or Act of God, the City agrees to commence the repair immediately and to complete the repair as quickly as possible so as to minimize down time. The City also agrees to promptly advise the District of the probable period of interruption after any service interruption caused by an emergency or Act of God so that the District can communicate this to its retail customers and afford alternative service where possible.

16. **Approvals and Permits.** Each party shall be solely responsible for obtaining all permits, contracts, approvals, easements, land rights, or other permission or consent necessary to proceed with its recycled water facilities, as contemplated by this Agreement.

17. **Environmental Review.** Prior to commencement of construction of any

The District, if requested by the City, agrees to have the meters independently calibrated and to provide copies of the results to the City.

22. **Limitation of Use.** The District acknowledges and agrees that the Recycled Water delivered by the City to the District pursuant to this Agreement has restricted uses. The District agrees to deliver this Recycled Water to selected customers for only those uses and purposes specified by state law for use of recycled water which complies with all requirements of Title 22 of the California Code of Regulations for unrestricted body contact.

23. **Rights of Inspection.** The District agrees to include a provision in its recycled water agreements with customers granting the City and the District the right, with prior advance notice, to enter the premises of the customer for the purposes of monitoring, sampling, analysis, and observation of the recycled water distribution facilities, as may be required by the San Diego region of the California Regional Water Quality Control Board or by any state or local health departments.

24. **Miscellaneous Provisions.**

a. **Applicable Law.** This Agreement and any disputes relating to this Agreement shall be construed in accordance with the laws of the State of California.

b. **Venue.** In the event of any legal or equitable proceeding to enforce or interpret the terms or conditions of this Agreement, or to obtain a judgment confirming the arbitrator's award and to enforce the judgment, the parties agree that venue shall lie only in the federal or state courts in or nearest to the North County Judicial District, County of San Diego, State of California.

c. **Modification.** This Agreement may not be altered in whole or in part except by a written modification executed by all the parties to this Agreement.

d. **Entire Agreement.** This Agreement, together with all exhibits attached hereto, contains all representations and the entire understanding between the parties with respect to purchase of recycled water from the City by the District. No other representations are intended or shall be implied. Any prior contemporaneous correspondence, memoranda, or agreements, whether oral or written, which are in conflict with this Agreement are intended to be replaced in total by this Agreement and the exhibits to this Agreement. The parties warrant and represent that there are no oral promises, representations, or agreements not contained in this Agreement.

e. **Binding Effect.** This Agreement shall inure to the benefit of and shall be binding upon the parties and their respective purchasers, successors, heirs, and assigns.

f. **Unenforceable Provisions.** The terms, conditions, and covenants of this Agreement shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provision of this Agreement is held to violate any applicable law or regulation, the remaining provisions shall nevertheless be carried into full force

and effect and shall remain enforceable.

g. Notices. All notices, statements, or other writings required to be given pursuant to this Agreement shall be deemed given upon posting in the United States mail or when transmitted if sent by facsimile to the following addresses or facsimile numbers:

City of Escondido
Attn: City Manager
201 North Broadway
Escondido, CA 92025-2798
Fax: 760/432-9512

Rincon del Diablo Municipal Water District
Attn: General Manager
1920 North Iris Lane
Escondido, CA 92026
Fax: 760/745-4235

Either party may change its address for notice at any time by giving written notice of the new address to the other party.

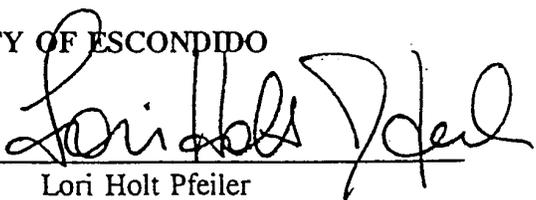
h. Attorneys' Fees. If any action or proceeding, including arbitration as provided above, is filed to challenge, invalidate, interpret, or enforce this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs in addition to other relief authorized by applicable law.

i. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Dated: 3/10, 1999.

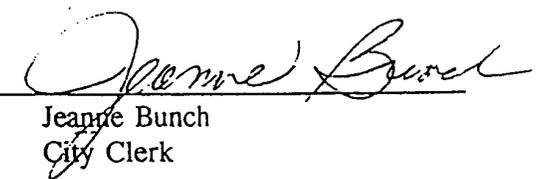
CITY OF ESCONDIDO

By: 

Lori Holt Pfeiler
Mayor

ATTEST:

Dated: 3/10, 1999.

By: 

Jeanne Bunch
City Clerk

AGREEMENT FOR PURCHASE OF RECYCLED WATER

RINCON DEL DIABLO
MUNICIPAL WATER DISTRICT

Dated: 3-9-99, 1999.

By: John B. Hinrichs
John B. Hinrichs
President

ATTEST:

Dated: 3-9-, 1999.

By: Frederick J. Adjarian
Frederick J. Adjarian
General Manager/Secretary

APPROVED AS TO FORM:

CITY OF ESCONDIDO

By: Jeffrey R. Epp
Jeffrey R. Epp
City Attorney

Dated: 3-10, 1999.

REDWINE AND SHERRILL

By: Gilbert J. Granito
Gilbert J. Granito
General Counsel for Rincon del
Diablo Municipal Water District

Dated: 3-9, 1999.

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AGREEMENT FOR PURCHASE OF RECYCLED WATER

RESOLUTION NO. 99-19

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
AUTHORIZING MAYOR AND CITY CLERK
TO EXECUTE ON BEHALF OF THE CITY AN
AGREEMENT FOR PURCHASE OF
RECYCLED WATER BETWEEN CITY OF
ESCONDIDO AND RINCON DEL DIABLO
MUNCIPAL WATER DISTRICT

WHEREAS, the City of Escondido (City) is constructing a recycled water system; and

WHEREAS, the Rincon del Diablo Municipal Water District (Rincon) has several customers that can purchase recycled water; and

WHEREAS, the City's recycled water system will deliver recycled water to service areas of Rincon; and

WHEREAS, Rincon desires to purchase recycled water from the City and has approved the agreement providing for such purchases; and

WHEREAS, the City desires to sell reclaimed water to Rincon.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council hereby approves the agreement for purchase of recycled water by Rincon.
3. That the Mayor and City Clerk are authorized to execute the agreement with Rincon for purchase of recycled water on behalf of the City. A copy of the agreement is attached as Exhibit "A" and is incorporated by this reference.

PASSED, ADOPTED AND APPROVED by the City Council of the City of Escondido at
a regular meeting thereof this 20th of January, 1999 by the following vote to wit:

AYES : Councilmembers: BEIER, KAUFMAN, PFEILER, RADY, WALDRON

NOES : Councilmembers: NONE

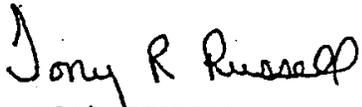
ABSENT : Councilmembers: NONE

APPROVED:



LORI HOLT PFEILER, Mayor of the
City of Escondido, California

ATTEST:



TONY RUSSELL, Deputy City Clerk of the
City of Escondido, California

2003 AMENDMENT OF RECYCLED WATER PURCHASE AGREEMENT

WHEREAS, the Rincon Del Diablo Municipal Water District ("DISTRICT") and the City of Escondido ("CITY") entered into that certain agreement entitled AGREEMENT FOR THE PURCHASE OF RECYCLED WATER on February 9, 1999 (the "Agreement"); and

WHEREAS, the AGREEMENT has provisions for purchase of 462 acre-feet of recycled water each year weather or not DISTRICT actually takes delivery of all of said water ("Take or Pay Provision"); and

WHEREAS, the CITY has experienced delays in completing the Recycled Water Facilities beyond the date contemplated in the AGREEMENT; and

WHEREAS, DISTRICT and CITY believe that extending the beginning of the Take or Pay Provision is equitable for both parties;

NOW, THEREFORE, the parties hereto agree as follows:

1. The foregoing recitals are true and correct.
2. Section 8, the First Paragraph of the agreement is changed to read:

Quantity of Recycled Water to Be Delivered and Purchased.

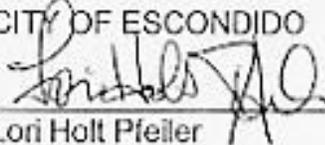
The City agrees to provide the District with not less than 0.4 MGD, and not less than 2.0 MGD during Peak Demand periods, of Recycled Water from the Commencement Date, as defined below, of service from the City's Recycled Water Facilities, upon request from the District. Beginning July 1, 2007, the District shall purchase a minimum of 462 acre-feet of Recycled Water each year, whether or not the District actually uses this amount of Recycled Water; provided, however, that during service disruptions from any cause, the obligation of the District to purchase Recycled Water shall be suspended and the 462 acre-feet per year commitment shall be reduced pro rata based upon the number of days per year service is actually provided to the District divided by 365 days and multiplied by 462 acre-feet. "Service disruption" shall mean the inability of the City to provide 2.0 MGD of Recycled Water to the District for a period of 24 hours or longer.

3. Remainder of Agreement Unchanged. Except as modified herein, the AGREEMENT shall remain unchanged, and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Date: 6-25-03

CITY OF ESCONDIDO



Lori Holt Pfeiler

Mayor

Date: 6-25-03



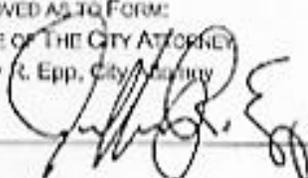
Marsha Whalen

City Clerk

APPROVED AS TO FORM:

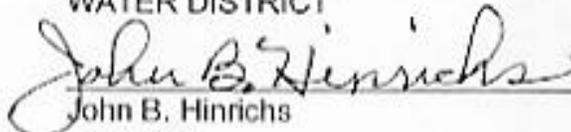
OFFICE OF THE CITY ATTORNEY

Jeffrey K. Epp, City Attorney

By: 

Date: 6-10-03

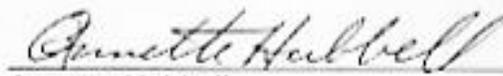
RINCON DEL DIABLO MUNICIPAL
WATER DISTRICT



John B. Hinrichs

President

Date: 6-10-03



Annette Hubbell

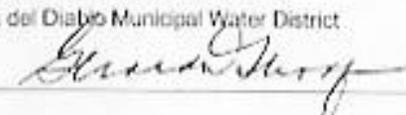
Secretary

APPROVED AS TO FORM:

REDWINE AND SHERRILL

Gerald Schoaf, General Counsel for

Rincon del Diablo Municipal Water District

By: 

RESOLUTION NO. 2003-112 R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, APPROVING AND AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE THE FIRST AMENDMENT TO THE AGREEMENT FOR RECYCLED WATER PURCHASE WITH RINCON DEL DIABLO MUNICIPAL WATER DISTRICT TO POSTPONE THE MANDATORY PURCHASE REQUIREMENTS UNTIL JULY 1, 2007

WHEREAS, the City of Escondido is constructing the Hale Avenue Resource Recovery Facility Phase II Upgrades and the Recycled Water Distribution System; and

WHEREAS, Rincon Del Diablo Municipal Water District has executed an agreement dated February 9, 1999 to purchase wholesale Recycled Water from the City of Escondido for resale; and

WHEREAS, certain conditions in said agreement require Rincon Del Diablo Municipal Water District to make mandatory purchases of at least 462 acre-feet of water each year whether or not Rincon Del Diablo Municipal Water District can resell that quantity of water; and

WHEREAS, City of Escondido desires to extend the date that those certain mandatory purchases commence until July 1, 2007; and

WHEREAS, the City of Escondido Staff have completed negotiations with Rincon Del Diablo Municipal Water District for said amendment to the exiting agreement and the Director of Public Works recommends that the First Amendment be approved; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve the First Amendment to the Recycled Water Purchase

Agreement between the City of Escondido and Rincon Del Diablo Municipal Water District.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council accepts the recommendation of the Public Works Director.
3. That the Mayor and City Clerk are hereby authorized to execute, on behalf of the City, the First Amendment to the Recycled Water Purchase Agreement between the City of Escondido and Rincon Del Diablo Municipal Water District attached as Exhibit "1".

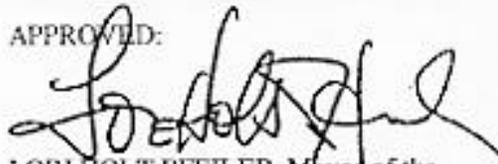
PASSED, ADOPTED AND APPROVED by the City Council of the City of Escondido at a regular meeting thereof this 28th day of May, 2003 by the following vote to wit:

AYES : Councilmembers: D'AGOSTA, GALLO, NEWMAN, PFEILER, WALDRON

NOES : Councilmembers: NONE

ABSENT : Councilmembers: NONE

APPROVED:



LORI HOLT PFEILER, Mayor of the
City of Escondido, California

ATTEST:



MARSHA WHALEN, City Clerk of the
City of Escondido, California