

MWD Conjunctive Use Program Agreement Termination

June 26, 2025

Conjunctive Use Program (CUP)

“Conjunctive Use” = Coordinated use of surface water and groundwater to maximize reliability of water supplies

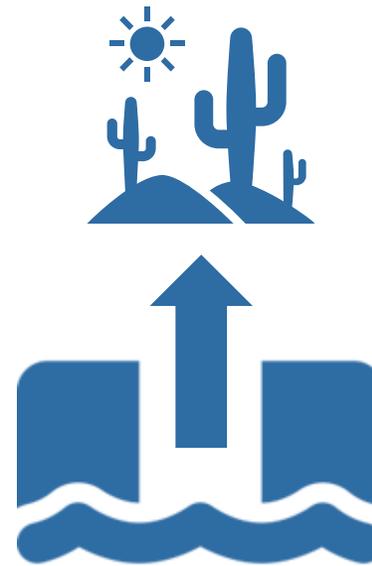
Wet Years

Store surface water into
groundwater basin



Dry Years

Pump groundwater out instead
of using surface water



CUP Agreements

- **Agreement executed 2002, Lakewood expansion 2005**
- **Received funding from MWD for injection/extraction wells**
- **Do not pay MWD for water when putting into storage**
- **Pay current MWD rate when extracting from storage**
 - LBUD receives O&M credits to offset costs for well pumping
- **Current storage balance: 6,677.7 AF**
- **Agreement expires 2027 and 2030**

Early Termination

- **Terminate agreements and buy out CUP storage balance now instead of extracting over next 2 years**
- **Benefit to MWD**
 - Immediate \$7.6M net revenue to improve reserves
- **Benefits to LBUD**
 - Projected cost savings of ~\$500,000
 - Regain flexibility and self-control over infrastructure

Recommendation

Authorize the General Manager to execute Conjunctive Use Program Termination Agreements with the Metropolitan Water District of Southern California.



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