

WEST BASIN MUNICIPAL WATER DISTRICT**DECEMBER 6, 2001 – Water Resources**

McDonald, Little

DECEMBER 17, 2001- Board Meeting

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ACTION CALENDAR

RECYCLED WATER SERVICE TO TOYOTA
IN THE CITY OF TORRANCE

SUMMARY:

During the past several months, West Basin Municipal Water District (WBMWD) has been working with the City of Torrance (City) and Toyota Motors USA (Toyota) to determine the viability of serving recycled water to Toyota's offices located at 190th Street and Western Avenue, approximately 1.3-miles from WBMWD's existing recycled water distribution system. To serve Toyota, the recycled water distribution system will need to be extended in 190th Street. The City will be resurfacing 190th Street between Crenshaw Boulevard and Van Ness Avenue over the next several months so a decision needs to be made quickly.

Toyota has indicated its willingness to pay for the recycled water pipeline in 190th Street from Crenshaw Boulevard to Van Ness Avenue that is the first segment of pipe necessary to serve Toyota's existing and future facilities at 190th Street and Western Avenue. On Monday, December 3, 2001, WBMWD received copies of the bids obtained by the City from its contractor to construct an 8- or 12-inch diameter recycled water pipeline in 190th Street from Crenshaw Place to Van Ness Avenue. By using the contractor already employed by the City to work on resurfacing 190th Street, significant savings are realized by meeting the City's schedule.

Toyota will pay for the 8-inch diameter pipeline at an estimated cost of \$205,470 (excluding potential contingencies that may be added by the City). WBMWD has the opportunity to pay the incremental cost to upsize to a 12-inch diameter pipeline to provide additional capacity for unconfirmed customers. The City's contractor has provided its estimate for the 12-inch diameter pipeline at \$234,190. The incremental cost to upsize the pipeline is estimated to be \$28,720.

WBMWD staff believes it is appropriate to pay the additional cost to upsize this first segment of pipeline to have additional recycled water capacity for potential customers including Honeywell and Mar Ventures which have each requested water quality information as well as commodity rates. A decision is needed this month to meet the City's schedule for resurfacing 190th Street from Crenshaw Place to Van Ness Avenue. WBMWD may make an additional contribution to upsize the next segment in 190th Street from Van Ness Avenue to Gramercy Place depending on potential customers and/or looping benefits. The estimated cost to upsize the next segment is \$24,000. However a decision on this segment does not have to be made at this time. Staff will come back to the Board of Directors at a later date regarding the next segment.

Due to the late commitment by Toyota to pay for the recycled water pipeline, there has not been time to execute an agreement between WBMWD, the City, and Toyota. WBMWD staff has begun development of such an agreement and will pursue it as soon as possible to clarify the roles and responsibilities of each entity.

FISCAL IMPACTS:

There are funds available in the Capital Budget for fiscal year 2001-02.

ENVIRONMENTAL COMPLIANCE:

The City is responsible for obtaining environmental approvals.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on December 6, 2001 and recommended for approval at the December 17, 2001 Board meeting.

RECOMMENDED MOTION:

The Board of Directors authorize the General Manager to pay the City of Torrance up to \$28,720 to upsize the recycled water distribution pipeline in 190th Street from an 8-inch to a 12-inch diameter pipeline to provide additional capacity for undetermined recycled water customers.

LIST OF EXHIBITS:

None.

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