

WEST BASIN MUNICIPAL WATER DISTRICT

AUGUST 7, 2002 – Water Resources

McDonald, Little

AUGUST 26, 2002 – Board Meeting

Prepared by: Joe Walters

Submitted by: Paul Shoenberger

Approved by: Darryl G. Miller

ACTION CALENDAR

AMENDMENT NO. 1 TO THE AGREEMENT WITH CITY OF TORRANCE
REGARDING THE ARTESIA LATERAL (W985)

SUMMARY:

The City of Torrance (City) has been working to provide recycled water to fifteen sites associated with the Artesia Lateral, a joint City/West Basin Municipal Water District (WBMWD) project. Originally, WBMWD declined to build the Artesia lateral independently because it was not cost-effective. However, the City proposed a cost-sharing plan that made the project attractive to WBMWD. To date five sites have been connected, six will be connected in the coming months and four won't be connected due to lease property concerns. The City has identified additional pipeline and associated recycled water use sites it wishes to pursue with WBMWD's support.

WBMWD staff is proposing the amendment to WBMWD's agreement with the City to reflect changes to the sites to be connected and associated with recycled water sales. The net result of the proposed amendment would be WBMWD serving three (3) additional sites increasing recycled water sales from 105 acre-feet per year (AFY) to 114 AFY and increasing WBMWD's contribution for pipeline costs from \$474,500 to \$502,500. The City is responsible for the design and construction of the pipeline, which WBMWD originally estimated to be \$1,000,000.

In March, 2000, the Board approved an agreement with the City to share the cost of a recycled water distribution pipeline along Artesia Boulevard to serve fifteen (15) sites approximately 105 AFY including schools, parks, medians and nurseries. The pipeline was to be built by the City with lump sum reimbursement by WBMWD based on the projected annual consumption of each customer connected.

The original agreement included ten (10) City controlled sites (parks, schools and medians) representing 61 AFY (\$274,000 in repayment from WBMWD) plus five nurseries representing 44 AFY (\$200,000 in repayment from WBMWD). Of the original ten City controlled sites, five (52 AFY) have been connected. Of the remaining five City controlled sites, four are medians to be connected when the City completes the renovation of Artesia Boulevard and one (Yukon Elementary) awaits construction of the pipeline which awaits the results of this addendum as it is along the pipe routing for two of the schools to be added. Of the original five nurseries, four have declined service due to lease property concerns and one is currently in customer development.

The City proposes to add three schools (29 AFY), two medians (2 AFY) ,and two nurseries (11 AFY) while removing four nurseries (31 AFY), which increases the total

potential acre-feet from 105 AFY to 114 AFY thereby increasing WBMWD's contribution by \$27,946.25. See comparison below:

| <u>Original Agreement</u> | | | <u>Proposed Amendment</u> | | |
|---------------------------|--------------|---------------------|---------------------------|--------------|---------------------|
| Location | AFY | WBMWD Contribution | Location | AFY | WBMWD Contribution |
| Arlington School | 7.0 | \$31,551.72 | Arlington School | 7.0 | \$31,202.50 |
| Artesia Median 1 | 1.0 | \$4,507.43 | Artesia Median 1 | 1.0 | \$4,312.50 |
| Artesia Median 2 | 1.0 | \$4,507.43 | Artesia Median 2 | 1.0 | \$4,312.50 |
| Artesia Median 3 | 1.0 | \$4,507.43 | Artesia Median 3 | 1.0 | \$4,312.50 |
| Artesia Median 4 | 1.0 | \$4,507.43 | Artesia Median 4 | 1.0 | \$4,312.50 |
| Casimir School | 2.2 | \$9,916.25 | Artesia Median 5 | 1.0 | \$4,312.50 |
| Descanso Park | 7.1 | \$32,002.45 | Artesia Median 6 | 1.0 | \$4,312.50 |
| Guesner Park | 23.5 | \$105,923.65 | Casimir School | 2.2 | \$9,487.50 |
| McMaster Park | 12.5 | \$56,342.36 | Descanso Park | 7.1 | \$31,950.00 |
| Yukon School | 4.6 | \$20,733.99 | Guesner Park | 23.5 | \$105,750.00 |
| | | | McMaster Park | 12.5 | \$56,250.00 |
| | | | Yukon School | 4.6 | \$19,837.50 |
| South Coast Growers | 4.2 | \$19,047.62 | North Torrance HS | 19.1 | \$82,368.75 |
| White Flower Nurseries | 10.0 | \$45,351.48 | Edison School | 4.0 | \$17,250.00 |
| Toro Nursery #1 | 8.5 | \$38,548.75 | Lincoln School | 6.0 | \$25,875.00 |
| Toro Nursery #2 | 9.6 | \$43,537.42 | | | |
| Kobata Growers | 11.8 | \$53,514.74 | | | |
| | | | Kobata Growers | 11.8 | \$50,887.50 |
| | | | Big Seven Nursery | 5.5 | \$23,718.75 |
| | | | Sunflower Farms | 5.2 | \$22,425.00 |
| Total | 105.0 | \$474,500.00 | Total | 114.4 | \$502,446.25 |

FISCAL IMPACTS:

Funds for this proposed Amendment are within the Capital Improvement Program budget for Fiscal Year 2002-03.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on August 7, 2002 and was recommended for approval at the August 26, 2002 Board meeting.

RECOMMENDED MOTION:

Authorize the General Manager to execute an amendment to Agreement W985 increasing WBMWD's contribution from \$474,500.00 to \$502,446.25, an increase of \$27,946.25 toward the Artesia Lateral, a joint City/WBMWD project.

LIST OF EXHIBITS:

- Exhibit A - Agreement W985
- Exhibit B - Amendment No. 1
- Exhibit C - Original Agreement Economic Summary
- Exhibit D - Amended Agreement Economic Summary

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