

AGENDA NO. ____

WEST BASIN MUNICIPAL WATER DISTRICT

OCTOBER 9, 2002 - Water Resources
McDonald, Little

OCTOBER 28, 2002 - Board Meeting

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Approved by: Darryl G. Miller

ACTION ITEM

AGREEMENT WITH TOYOTA IN THE CITY OF TORRANCE
AND UPSIZING RELATED DISTRIBUTION PIPELINE

SUMMARY:

During the past 12 months, West Basin Municipal Water District (WBMWD) staff has been working with Toyota Motor Sales U. S. A., Inc. (Toyota) staff to provide recycled water to Toyota's new office complex located in the City of Torrance (City). Toyota will be using recycled water for landscape irrigation, cooling tower make-up water, and in the toilets and urinals with an estimated demand of 80 acre-feet per year. To serve Toyota, construction of additional recycled water distribution facilities in 190th Street and Gramercy Place are needed.

Toyota agreed to partner with WBMWD by contributing a portion of the capital costs with the opportunity to recover these costs through capital credits and the reduced cost of water purchased from the City.

In fall of 2001, the City was planning to construct a new potable water line and resurface a portion of 190th Street. In order to serve Toyota, the recycled water pipeline would need to be constructed in this reach as part of the City's project to avoid the City's five-year moratorium. Toyota paid the City \$205,470 to construct approximately 2,600 linear feet of 8-inch diameter pipeline. In December 2001, the Board authorized the General Manager to pay the City \$28,720 to upsize this reach to 12-inch diameter. Construction was completed in spring of 2002.

In February 2002, WBMWD staff updated the Board with an information item that contained the main points of the agreement between Toyota and WBMWD as well as the economic summary. The main points included:

1. Toyota, at its cost, shall design and construct 2,600 linear feet of 8-inch pipeline in 190th Street and Gramercy Place to reach Toyota's new facility;
2. WBMWD may elect to pay to upsize the pipeline in 190th Street from 8- to 12-inch to provide additional capacity for potential customers and potential future looping benefits;
3. WBMWD would contribute \$125,000 toward construction of the pipeline; and
4. WBMWD would provide \$110 per acre-foot for the life of the Metropolitan Water District's Local Resources Program to Toyota to offset a portion of its capital costs.

As promised in the February 2002 Information Item, staff is bringing the final agreement between Toyota and WBMWD to the Board for consideration. The main points of the agreement expressed above remain the same.

Additionally, Toyota is preparing to construct the remaining 2,600 linear feet of recycled water distribution system to their new office complex at 195th Street and Western Avenue. Toyota will be constructing the remaining pipeline in 190th Street (approximately 1,000 linear feet) and the portion in Gramercy Place (approximately 1,600 linear feet) at a cost of \$255,234 to Toyota. Toyota asked its contractor to provide a quote to upsize the portion in 190th Street from 8-inch diameter to 12-inch diameter. Attached is the quote that is \$10,198. Staff is recommending that the Board authorizes the General Manager to contribute \$10,198 to Toyota to upsize the pipeline in 190th Street.

CGvL, under contract to WBMWD, completed State of California and Los Angeles County Department of Health Services (DHS) schematics and engineering report for the Project. Preliminary approval for the Project was received on May 15, 2002. Inspection by DHS representatives has been ongoing.

FISCAL IMPACTS:

Funds for this project are available in the Capital Improvement Program budget for fiscal year 2002-03.

ENVIRONMENTAL COMPLIANCE:

None required by WBMWD. Toyota or the City will be responsible for obtaining environmental approvals.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on October 9, 2002 and was recommended for approval at the October 28, 2002 Board meeting.

RECOMMENDED MOTION: That the Board authorizes the General Manager to:

1. Execute an agreement with Toyota Motor Sales U. S. A., Inc. substantially similar to the attached. Any significant changes will be brought to the Board prior to execution by the General Manager; and
2. Contribute \$10,198 to upsize approximately 1,000 linear feet of pipeline in 190th Street from 8-inch diameter to 12-inch diameter. Payment will be to Toyota as part of its construction of the work in 190th Street and Gramercy Place.

LIST OF EXHIBITS:

Exhibit A – Draft Agreement (which includes a map of the system improvements)
Exhibit B – Estimate from Toyota's Contractor for Upsizing

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