

WEST BASIN MUNICIPAL WATER DISTRICT

MARCH 5, 2003 – Water Resources

McDonald, Little

MARCH 24, 2003 – Board Meeting

Prepared by: Wyatt Won

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Approved by: Darryl G. Miller

ACTION CALENDAR

OPERATIONS AGREEMENT FOR
WEST BASIN WATER RECYCLING FACILITIES

SUMMARY:

At the February 24, 2003 Board meeting, Director McDonald requested the termination clause in the current agreement with United Water Services be brought to the Board for discussion. The current agreement is an extension of a January 1996 United Water Services (UWS) Operations Agreement. The extension was approved by the Board in December 1998. Some of the terms of the original agreement, including the termination clause, were updated in the extension to reflect more current conditions. The major changes to the January 1996 agreement are described below.

- The name of the Contractor was changed from JMM to UWS.
- Operating and maintaining the Mobil Boiler Feed Plant, Carson Regional Water Recycling Plant, and Chevron Boiler Feed Plant were added to UWS' "Scope of Work".
- List of UWS staff positions required for the program and list of key positions were updated.
- UWS' responsibility to operate the facilities so as not to exceed permits and other water quality requirements was added.
- References to initial spare parts inventory were removed. This was required as part of the initial plant startup and was not applicable to the contract extension.
- An annual assessment of spare parts was added.
- UWS' requirement to maintain Environmental Accreditation Program certification in the State of California for the laboratory was added.
- References to the Capital Improvement Program were deleted. Under the 1996 agreement, JMM was responsible, with District approval, for managing, designing, and constructing capital improvements at the water recycling facilities. The District is now responsible for capital improvements for the program.
- Performance incentives for meeting strategic objectives and cost savings were removed. The program was never implemented.
- Provisions for demobilization costs for JMM if the agreement were terminated were removed.
- Environmental liability insurance of \$5,000,000 per occurrence and \$5,000,000 aggregate were added.
- Liability insurance of \$5,000,000 per occurrence and \$5,000,000 aggregate covering loss resulting from damage due to water quality or flows not in compliance with the District's permits or contractual obligations were added.

- Termination clause was modified to read "This agreement may be terminated only for substantial failure to perform by UWS," (this is the current language). The 1996 agreement read "This agreement may be terminated for any reason at any time by District..."

A copy of the agreement is attached for reference.

FISCAL IMPACTS:

Undetermined at this time.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on March 5, 2003. The committee did not make a recommendation and requested that this item be presented to the full Board at the March 24, 2003 Board meeting.

RECOMMENDED MOTION:

There is no staff recommendation the Water Resources Committee requested that this item be presented to the full Board.

LIST OF EXHIBITS:

Exhibit "A" - Agreement No. W866Z