

WEST BASIN MUNICIPAL WATER DISTRICT**DECEMBER 5, 2006 - Water Resources**

Little, Dear

DECEMBER 21, 2006 - Sp. Board Meeting

Prepared by: Phil Lauri

Submitted by: Paul E. Shoenberger

Approved by: Rich Nagel

ACTION CALENDAR

TEMPORARY OCEAN-WATER DESALINATION DEMONSTRATION PROJECT
PHASE B – CEQA COMPLIANCE & PERMITTING

SUMMARY:

The West Basin Municipal Water District (District) has been progressively working towards implementation of an Ocean-Water Desalination Demonstration Facility to acquire full-scale operational and water quality experience. As part of the process of implementing a temporary demonstration facility, the District competitively procured the services of MWH in August 2006 to provide a multi-tasked assessment of the District's Temporary Ocean-Water Desalination Demonstration Project. MWH's initial phase (Phase A) of work contains a wide "Scope of Work" (Scope), which includes a water source assessment, process analysis, siting and feasibility study, environmental and permitting evaluation, cost estimating, and operational protocol analysis. While the Phase A Scope is scheduled to span ten months, MWH has completed three of the most critical studies (water quality, permitting, and process evaluation) that have assisted the District in selecting the most appropriate demonstration site. These studies evaluate the three sites (El Segundo Power, Redondo Beach AES-south site, and Sea Lab) in regards to their ability to provide ample space, an adequate raw water source, and the permitting requirements/benefits/challenges that encompass each site. In addition, West Basin has also been working with local community groups and cities to acquire public input and gauge support for each of the proposed site locations and each site's integration characteristics and the Project's transferability of data to the full scale Project.

CEQA/Permitting

Permitting of the temporary demonstration Project will be the most extensive and time critical component to the implementation of the demonstration Project. The District is moving forward in a manner to have the temporary demonstration facility operational by the Fall of 2008. To meet this aggressive schedule, the California Environmental Quality Act assessment and associated studies must begin as soon as possible. Additionally, permitting by the Regional Water Quality Control Board and the California Coastal Commission cannot commence until all CEQA activities are complete. It is expected that the complete list of environmental studies and permitting activities will take a minimum of 18-20 months.

Staff requested MWH to provide a proposal for the Phase B portion of work that would assist the District in the environmental assessments and permitting work. MWH was competitively selected to assist the District in the various stages of implementation that include the planning/feasibility, permitting, design, construction, and operations of the temporary demonstration facility. MWH's Scope includes complete performance and compliance of all CEQA related studies, analyses, and processing of final CEQA determination, regulatory permit processing and supporting activities with regulators, and overall Project permitting coordination.

The cost for facilitating the referenced Scope is estimated to be \$664,000. This proposed cost includes an allowance of \$100,000 for MWH to perform an independent biological resource assessment. However, staff is working with Redondo Beach AES management to acquire existing biological data that is currently being compiled as part of the power plant's EPA 316b Phase II compliance requirement. This requirement is being administered through the Regional Water Quality Control Board as part of the power plant's future National Pollutant Discharge Elimination Permit. Should data sharing become available, the overall permitting cost of \$664,000 could be reduced by approximately \$100,000 and a possible time savings of one year. If AES determines they are able to share their confidential data, there is a possibility that AES would request the District cost-share a portion of the work that was

Staff recommends MWH's contract be amended to include performing the next phase of required environmental and permitting activities for implementation of the Temporary Ocean-Water Desalination Demonstration Facility.

FISCAL IMPACTS:

Funds for this Project are available from the Construction fund.

ENVIRONMENTAL COMPLIANCE:

Environmental requirements for this Project will be evaluated as part of the permit application.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on December 5, 2006, 2006 and recommended for approval at the December 21, 2006 Special Board meeting.

RECOMMENDED MOTIONS:

That the Board authorizes the General Manager to amend MWH's existing contract for an amount of \$664,000 plus 10% contingency for a total not-to-exceed amount of \$730,400 to perform the Phase B environmental assessments, permitting, and permitting coordination for the Temporary Ocean-Water Desalination Facility that will be located at the Sea-Lab facility.

EXHIBITS:

None.