



WEST BASIN MUNICIPAL WATER DISTRICT
17140 S. Avalon Blvd., Suite 210
Carson, CA 90746

AGENDA NO. 15

NOVEMBER 13, 2008 – Water Resources
Smith (Chair), Little
NOVEMBER 24, 2008 – Board Meeting
Prepared by: Frank Fuchs/Joe Walters
Submitted by: Paul Shoenberger
Approved by: Rich Nagel

ACTION CALENDAR

TOYOTA WATER QUALITY TREATMENT

SUMMARY:

The partnership between Toyota Motor Sales USA and West Basin precedes Toyota's official conversion to recycled water use at its South Campus in April 2003. Prior to the delivery of recycled water, Toyota and West Basin agreed that Toyota would take the lead to build the necessary pipeline in the streets to serve Toyota. As part of that agreement, West Basin is repaying Toyota \$110 per acre-foot of recycled water it uses until March 2020.

Unexpected complications have developed in the use of recycled water at Toyota's South Campus cooling towers since the conversion date. As a result, Toyota has encountered fewer cycles of concentration resulting in higher water costs, higher chemical treatment costs, higher energy costs from lower efficiency of operations and more frequent cleaning/maintenance with resulting higher costs.

West Basin has labored to identify and resolve the issues creating this condition by testing filtration systems, modeling the flow rates and engaging water quality experts without attaining desired results.

About a year ago, another customer, American Honda, went on-line using recycled water for cooling towers. Since that time they have not encountered any problems with recycled water use in the cooling towers. The primary difference between the two sites is that Honda uses a unique and innovative treatment process that enables them to maximize the cycles of concentration in the cooling towers while reducing chemicals, blow down (discharge of water with high concentrations of undesirable minerals), and bacteriological growth.

The vendor of this treatment system is Water Conservation Technologies International (WCTI). WCTI has dozens of customers successfully using this treatment system in California and throughout the country. Toyota has expressed interest in applying this treatment system and WCTI has provided Toyota with a proposal for the South Campus (for both the 'A' complex and 'B' complex) of \$62,550 plus installation estimated at \$41,218, for a total of \$103,768.

Toyota has understandably expressed concern about paying for this treatment system in addition to the unbudgeted costs for current operation. Funding for this treatment process can be provided by applying future pipeline reimbursement payments in a lump sum. The original expense for the pipeline was \$600,000 with approximately \$420,000 remaining to be paid. Payment of \$103,768 would reduce this balance to near \$316,000.

STRATEGIC BUSINESS PLAN IMPLEMENTATION:

Goal 3, Water Quality – Provide high quality water that meets the needs of our customers.

COMMITMENT STATEMENT:

Water Quality – West Basin is committed to providing safe, high quality water by meeting current and anticipated water quality requirements.

Customer Service – West Basin is committed to providing value by understanding and meeting the needs of our customers and the communities we serve.

FISCAL IMPACTS:

The Fiscal Year 2008-09 Operations Budget will need to be amended to include \$114,046 for this project.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on November 13, 2008 and recommended for approval at the November 24, 2008 Board meeting.

RECOMMENDED MOTION:

That the Board authorizes:

- 1) The General Manager to execute an agreement with WCTI to purchase the WCTI Treatment System for Toyota for an amount of \$103,678, plus a 10% contingency for a total not-to-exceed contract amount of \$114,046.
- 2) Amending the Fiscal Year 2008-09 Operations Budget in the amount of \$114,046.

LIST OF EXHIBITS:

None.