



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

AGENDA NO. 12

DECEMBER 10, 2008 – Water Resources
Smith (Chair), Little
DECEMBER 22, 2008 – Board Meeting
Prepared by: Frank Fuchs/Joe Walters
Submitted by: Paul Shoenberger
Approved by: Rich Nagel

ACTION CALENDAR

CITY OF HAWTHORNE RETROFIT AGREEMENT

SUMMARY:

As part of West Basin's efforts to expand recycled water use in its service area, West Basin has been working with the City of Hawthorne (City) to connect Jim Thorpe Park (19 AFY) to the recycled water system. In order to connect this site, the City needs to make some major upgrades and modifications to the irrigation system to comply with requirements for recycled water use set forth by the Department of Public Health. The modification cost for the Park is estimated at \$100,000.

While the City does not have the funds to retrofit this site in the current budget, West Basin could provide a retrofit loan to the City for \$100,000 at 5% annual interest. The loan will be repaid to West Basin with payments equivalent to the savings generated by the lower cost of recycled water. In addition, the City will obtain an incentive of \$9,500 from MWD that will be used to pay off a portion of the loan when the construction is completed. Based on the payments specified in the agreement, the City will pay back the loan in 12.4 years.

The Hawthorne City Council has approved the attached retrofit agreement.

STRATEGIC BUSINESS PLAN IMPLEMENTATION:

Goal 1, Reliability – Maintain a level of local water reliability that supports the regional economy, our community and customer agency needs.

COMMITMENT STATEMENT:

Water Reliability – West Basin is committed to innovative planning and investments to provide water supply reliability and drought protection.

FISCAL IMPACTS:

Funds for this project would need to be included in the Fiscal Year 2008-09 Capital Improvement Budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on December 10, 2008 and was recommended for approval at the December 22, 2008 Board meeting.

RECOMMENDED MOTION:

That the Board authorizes the General Manager to:

- 1) Execute Agreement W1991 to provide a loan to the City of Hawthorne for construction of retrofit improvements at Jim Thorpe Park for the amount of \$100,000; and
- 2) Amend the Fiscal Year 2008-09 Capital Improvement Budget.

LIST OF EXHIBITS:

Exhibit "A" – City of Hawthorne Retrofit Financing Agreement W1991