



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

AGENDA NO. __ 14 __

OCTOBER 15, 2009 – Water Resources
Little (Chair), Gray
OCTOBER 26, 2009 – Board Meeting
Prepared by: Joe Walters
Submitted by: Joe Walters
Approved by: Rich Nagel

ACTION CALENDAR

LOS ANGELES DEPARTMENT OF WATER AND POWER (DWP) HARBOR AGREEMENT

SUMMARY:

West Basin Municipal Water District (West Basin) and DWP staff have reached an agreement to serve 9,300 acre-feet per year (AFY) of nitrified recycled water from the Edward C. Little Water Recycling Facility and the Juanita Millender-McDonald Carson Regional Water Recycling Plant (Carson Plant) to the Los Angeles Harbor (LA Harbor).

The key points of the agreement are:

- DWP to purchase up to 9,300 AFY of nitrified water from the Carson Plant over 30 years;
- Rate will be set by the Board to closely approximate the cost of operations and maintenance to produce product water (at cost) with a cap at the MWD Tier 1 rate (including actual water cost, Readiness-to-Serve charge, and MWD capacity charge);
- DWP will pay for all capital facilities to nitrify the water at the Carson Plant, and all pipeline and facilities to deliver the water to customers in the LA Harbor (approximately \$100 million total);
- DWP will own and operate all pipeline from the Carson Plant to customer sites;
- DWP will capitalize the facilities constructed at the Carson Plant; and
- DWP will purchase capacity within the existing West Basin system from LA's Hyperion Plant to the Carson Plant for \$38.5 million. Payment will be made in installments over the term of the contract.

This agreement will enable West Basin to increase its recycled water sales by 33%, while fully recovering all capital and operational costs to produce and deliver the product water.

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 are included in the Fiscal Year 2009-10 Capital Budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on October 15, 2009 and was recommended for approval at the October 26, 2009 Board meeting.

RECOMMENDED MOTION:

That the Board considers the approving the agreement with DWP to construct and operate facilities to provide up to 9,300 AFY of nitrified recycled water to the Los Angeles Harbor.

LIST OF EXHIBITS:

The following exhibits will be provided at the Board meeting due to last minute revisions:

- Exhibit "A" – LADWP Harbor Agreement
- Exhibit "B" – Capacity Charge
- Exhibit "C" – O & M Costs