



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

AGENDA NO. 21

JUNE 11, 2009 – Water Resources

Little (Chair), Gray

JUNE 22, 2009 – Board Meeting

Prepared by: Cheryl Ross

Submitted by: Wyatt Won

Approved by: Rich Nagel

ACTION CALENDAR

JUANITA MILLENDER-MCDONALD CARSON REGIONAL WATER RECYCLING PLANT SEWER PERMIT

SUMMARY:

Wastewater from the Juanita Millender-McDonald Carson Regional Water Recycling Plant's (Carson Plant) nitrification process and microfiltration backwash is discharged to the County Sanitation Districts of Los Angeles County's (Sanitation Districts) Joint Plant Outfall under permit. As reported to the Board in April, operational changes at the Carson Plant increased discharges beyond the current permit's limit. The major change was due to increased backwash frequency of the microfilters to maintain their throughput. This resulted in much more backwash water going to the sewer. A formal application for additional future sewer capacity submitted by staff is being reviewed by the Sanitation Districts. However, a recent letter from the Sanitation Districts directs West Basin Municipal Water District (West Basin) to pay for previous discharges that exceeded our permit baseline capacity before the end of June. The cost for past discharges above our permit capacity is \$891,678.51.

West Basin has four options:

1. Pay the full capacity increase charge of \$891,678.51 by June 27, 2009.
2. Pay the \$891,678.51 on a monthly payment schedule by submitting a written request and a minimum deposit of 10% of the connection fee by June 27, 2009. Payments may be made for up to three years at 0.5% interest, and for an additional three years at 0.67% interest.
3. Request to demonstrate that the increased sewer flow used to calculate the capacity increase is not representative of long-term future discharges. This request involves submitting notarized documents and payment in the form of a surety bond, letter of credit, or certificate of deposit in the amount of \$527,863.68 by June 27, 2009. The demonstration period is over 12 months and covers Fiscal Year 2009-10.
4. Request to demonstrate scenario under item 3 above, but submit a non-refundable deposit of \$335,000 that is applied to future capacity along with the documents by June 27, 2009, and collateralize the remaining balance with a surety bond, credit letter, or certificate of deposit. The remaining balance is \$329,553.68 and includes monetary growth factors.

Penalties apply to all of the above options if the Sanitation Districts does not receive payment and documents by the June 27, 2009 due date.

STRATEGIC BUSINESS PLAN IMPLEMENTATION:

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

Goal 8, Finance – Manage finances to optimize the public’s investment return and minimize risk.

COMMITMENT STATEMENT:

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

Sound Financial and Resource Management – West Basin is committed to efficient business operations, financial planning and asset management.

FISCAL IMPACTS:

Funds for increased sewer capacity are available in the Capital Budget.

ENVIRONMENTAL COMPLIANCE:

Carson Regional Water Recycling Plant nitrification wastewater is discharged under permit with the County Sanitation Districts of Los Angeles County.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on June 11, 2009 and recommended for approval at the June 22, 2009 Board meeting.

RECOMMENDED MOTION:

That the Board authorizes the General Manager to:

1. Request to demonstrate that the increased sewer flow used to calculate the capacity increase is not representative of long-term future discharges;
2. Submit a non-refundable deposit of \$335,000 along with the documents by June 27, 2009; and
3. Collateralize the remaining balance of \$329,553.68 with a surety bond, credit letter, or certificate of deposit.

LIST OF EXHIBITS:

Exhibit “A” – Los Angeles County Sanitation District Connection Fee Letter
Exhibit “B” – Industrial Connection Fee Notice of Charges