



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

AGENDA NO. 29

AUGUST 13, 2010 – Water Resources
Little (Chair), Gray
AUGUST 23, 2010 – Board Meeting
Prepared by: Joe Walters
Submitted by: Shivaji Deshmukh
Approved by: Rich Nagel

ACTION CALENDAR

NRG ENERGY, INC. AGREEMENT

SUMMARY:

This Board memorandum presents a Memorandum of Understanding (MOU) between NRG Energy, Inc. (NRG), as operators of the El Segundo Energy Center (ESEC), and West Basin Municipal Water District (West Basin). This MOU assures funding for West Basin to develop a "Request for Proposal" (RFP) as part of the design engineering services procurement process; advertise the RFP; and select a qualified engineering consultant team for pre-design, design, and construction engineering services necessary for the furtherance of the Pipeline Project implementation.

NRG has secured a permit from the California Energy Commission (CEC) for energy generating facilities at ESEC (AFC-0014C on June 30, 2010). The CEC permit authorizes NRG to use recycled water from West Basin for all process needs, but allows for use of potable water for emergency fire protection.

NRG ESEC desires West Basin to develop a RFP to solicit engineering consulting firms for design and construction services for capital facilities necessary for recycled water service to ECES and a potable water pipeline for emergency fire protection for ESEC.

NRG agrees to pay up to \$50,000 for West Basin's development of the RFP as part of the upcoming agreement with the City of El Segundo and West Basin for the facilities construction, or will pay for these services outright should the agreement not come to fruition by October 31, 2010. This guarantees West Basin to be reimbursed for its time in either case.

STRATEGIC BUSINESS PLAN IMPLEMENTATION:

Goal 1: 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 2010-11 Capital Improvement Program Budget and will be reimbursed by NRG.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on August 13, 2010 and recommended for approval at the August 23, 2010 Board meeting.

RECOMMENDED MOTION:

That the Board authorizes the General Manager to enter into an MOU with NRG for West Basin to develop an RFP for engineering design and construction services for facilities to service El Segundo Energy Center at a cost for staff time of up to \$50,000.

LIST OF EXHIBITS:

Exhibits "A" – Memorandum of Understanding

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