



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

AGENDA NO. 28

DECEMBER 7, 2010 – Water Resources
Little (Chair), Gray
DECEMBER 20, 2010 – Board Meeting
Prepared by: Joe Walters
Submitted by: Joe Walters
Approved by: Rich Nagel

ACTION CALENDAR

EL SEGUNDO ENERGY CENTER (ESEC) AMENDMENT

SUMMARY:

This Board memorandum presents an amendment to the Memorandum of Understanding (MOU) W2184 between El Segundo Energy Center, LLC (ESEC), operated by NRG, and West Basin Municipal Water District (West Basin). This Amendment assures funding for West Basin to proceed with an award of design agreement to a design engineering firm for furtherance of the Pipeline Project implementation.

ESEC, the City of El Segundo, and West Basin continue to develop the final agreement for the project to provide recycled water to the El Segundo Power Plant, operated by ESEC, in accordance with the permit from the California Energy Commission for energy generating facilities (AFC-0014C on June 30, 2010). However, to maintain the timeline for design and construction of the facilities serving the site, an interim agreement in the form of an amendment to the existing MOU will best serve all parties in this timely pursuit.

Within this amendment, ESEC agrees to pay for the selected design consultant to begin the design process, up to \$706,085, 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 incurred to date should the agreement not come to fruition by February 28, 2011. In addition, should the project be discontinued prior to the realization of the final agreement, ESEC will also pay the design consultant \$20,000 for expenses incurred in preparation of its proposal. This guarantees that West Basin will 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 Program Budget and will be reimbursed by ESEC.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on December 7, 2010 and recommended for approval at the December 20, 2010 Board meeting.

RECOMMENDED MOTION:

That the Board authorizes the General Manager to sign Amendment Number 1 to Agreement W2184 with ESEC for reimbursement of design services at a cost up to \$706,085, plus \$20,000 for design consultant proposal preparation expenses.

LIST OF EXHIBITS:

Exhibit "A" – Amendment to W2184
Exhibit "B" – W2184 MOU for Pipeline Design

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