

CENTRAL BASIN MUNICIPAL WATER DISTRICT

APRIL 7, 2004 - Water Resources

Hawkins, No Quorum

APRIL 26, 2004 - Board Meeting

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Approved by: Darryl G. Miller

ACTION CALENDAR

CENTRAL BASIN RECYCLED WATER
SYSTEM IMPROVEMENTS AT GENERAL DYE

SUMMARY:

Staff has been working with General Dyeing & Finishing (General Dye), located in Santa Fe Springs, regarding its potential conversion to recycled water. General Dye's operation consumes approximately 450 acre-feet per year of water. Based on staff's analysis of the Central Basin recycled water system in the Santa Fe Springs area, it was determined that for Central Basin to serve recycled water to General Dye, improvements to the Central Basin recycled water system are required. In determining the scope and best location for these improvements, General Dye offered to accommodate the facilities on its property, thereby eliminating the need for Central Basin to procure property for construction of the improvements.

In February 2002, the Board authorized execution of a design contract with Water 3 Engineering to develop design drawings for bidding purposes, and provide engineering services during construction. These drawings are currently at the 80% design level. Staff expects to release these drawings for bid in mid-April 2004, and present construction bid results to the Board in May 2004. The revised preliminary cost estimate for these improvements is \$200,000. Operational costs, primarily for electrical power, are estimated at \$10,000 per year. In preliminary discussions with General Dye, they have agreed to pay for all costs, including the electricity, associated with operating these improvements.

Staff has worked with the District's Legal Counsel to draft two agreements to address the issues relevant to serving water to General Dye: 1) a Water Service Agreement, and 2) Construction and Operations License Agreement. The Water Service Agreement was developed to address issues of recycled water quality and quantity, the payback period for the constructed improvements, and General Dye's obligation to pay for the associated electrical costs. The Construction and Operations License Agreement addresses the issues relating to Central Basin constructing and operating improvements on the General Dye facility, including ownership and access rights, responsibility for operations, and mutual indemnification.

Draft versions of both agreements are included as Exhibits "A" and "B". Staff has presented these agreements to General Dye, and is in the process of finalizing the terms and conditions agreeable to both General Dye and Central Basin. Staff is recommending that the Board approve the agreements presented herein, as to form. Any substantial changes to the agreements as proposed would be brought back to the Board for consideration.

FISCAL IMPACTS:

Funding for this Project is budgeted in the Capital Improvement Budget for fiscal years 2003-04 and 2004-05. Operational expenditures consisting power and normal maintenance are to be borne by General Dye.

ENVIRONMENTAL COMPLIANCE:

Any required environmental documentation, including coordination of the California Department of Health Services, will be prepared during the design phase. Staff will also be coordinating with the City of Santa Fe Springs regarding Building & Safety concerns they may have.

RECOMMEDED MOTION:

That the Board authorizes the General Manager to:

1. Execute the Water Service Agreement with General Dye and the City of Santa Fe Springs, as to form; and
2. Execute the Construction and Operations License Agreement with General Dye, as to form.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on April 7, 2004; although there was no quorum, Director Hawkins suggested that the Board consider approval at the April 26, 2004 Board meeting.

EXHIBITS:

Exhibit "A" - Proposed Water Service Agreement with General Dye and Santa Fe Springs
Exhibit "B" - Proposed Construction and Operations License Agreement with General Dye