

**CENTRAL BASIN MUNICIPAL WATER DISTRICT**

**JANUARY 5, 2005 - Water Resources**  
 Gonzalez, Vasquez  
**JANUARY 24, 2005 - Board Meeting**  
 Prepared by: Van M. Jew  
 Submitted by: Paul E. Shoenberger  
 Approved by: Richard Nagel

**ACTION CALENDAR**

**CENTRAL BASIN WATER RECYCLING PROGRAM**  
**OPERATIONS AND MAINTENANCE CONTRACT**

**SUMMARY:**

At the Board’s direction, staff issued a “Request for Proposals” (RFP) for the operations and maintenance of the Esteban E. Torres Rio Hondo Recycled Water Distribution System for a five-year term. The RFP was advertised on the District’s website and also sent to the following nine firms:

- American Water Works Company
- California Water Service Company
- Eco Resources
- OMI
- Park Water Company
- San Gabriel Valley Water Company
- Southern California Water Company
- Suburban Water Systems
- United Water

Four of the firms showed interest in the Project – three attended the pre-proposal meeting and a fourth company contacted staff with various inquiries and also visited some of the District’s field facilities.

However, only one proposal was submitted. The proposal was received from California Water Service Company (Cal Water), the District’s current operations and maintenance service provider for the Esteban E. Torres Rio Hondo Recycled Water Distribution System.

**Proposed Contract Terms**

Cal Water proposed the same financial terms as exists under the current Agreement C1331 with one exception. Beginning with Year 2, the fee for “Basic Services” as listed in the agreement would increase annually by \$125 per month as follows:

	<b>Monthly Fee for Basic Services</b>	<b>% increase from previous year</b>
Year 1*	\$2,500	0.0%
Year 2	\$2,625	5.0%
Year 3	\$2,750	4.8%
Year 4	\$2,875	4.5%
Year 5	\$3,000	4.3%

\* - Year 1 begins February 18, 2005

Emergency Services and Supplemental Services will continue to be billed on a time and material plus profit basis per the current contract terms.

The annual not-to-exceed compensation amount under the current contract is \$320,500, which includes the monthly fee for Basic Services. Allowing for an annual 4% increase to account for inflation, staff recommends the following annual not-to-exceed totals:

	<b>Annual Not-to-Exceed Contract Amount</b>
Year 1*	\$320,500
Year 2	\$333,320
Year 3	\$346,653
Year 4	\$360,519
Year 5	\$374,940

\* - Year 1 begins February 18, 2005

All contract terms are included in the draft agreement included as Exhibit "A."

Cal Water has developed a history of providing excellent service to the District, proficient in their operational and customer services, and has been responsive to maintenance and emergency situations.

**FISCAL IMPACTS:**

Funds for operation and maintenance of the Esteban E. Torres Rio Hondo Recycled Water Distribution System are included in the FY 2005-09 Capital Improvement Budget.

**ENVIRONMENTAL COMPLIANCE:**

Not required.

**COMMITTEE STATUS:**

This item was reviewed by the Water Resources Committee on January 5, 2005 and was recommended for approval at the January 24, 2005 Board meeting.

**RECOMMENDED MOTION:**

That the Board authorizes the Co-General Managers to enter into an agreement, substantially similar to the one attached in Exhibit "A", with Cal Water to provide operations and maintenance services for an additional five-year period, allowing for a 4% annual increase for a total not-to-exceed annual compensation.

**LIST OF EXHIBITS:**

Exhibit "A" - Draft Agreement