

CENTRAL BASIN MUNICIPAL WATER DISTRICT **OCTOBER 24, 2006 - Board Meeting**
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ACTION CALENDAR

RIO HONDO PUMP STATION LAND SITE

SUMMARY:

At the request of the General Manager, staff has researched options regarding the acquisition of property and construction of office space for Central Basin's day-to-day operations. The Rio Hondo Pump Station site has been acquired through the execution of a 55 year lease agreement with the City of Whittier (proprietor). The following is a brief history regarding Central Basin's use of the leased property.

In April 1992, the preliminary design report for the Rio Hondo Pump Station was completed. The report identified the San Gabriel River Parkway site owned by the City of Whittier as the recommended site to locate the District's pump station. Subsequently, the District entered into negotiations with the City to lease a portion of the 12 acre site. At that time, the City had occupied about half the site with a water treatment plant and pump station facilities but had no plans to utilize the remainder of the land and was willing to lease unused land to the District. In December 1992, the District entered into a 55 year agreement with the City of Whittier to lease four acres of that site and completed the construction of the Rio Hondo Pump Station at that site in the following year. County Assessor records indicate that the City has owned the site since 1959.

A few years ago, the District made a preliminary inquiry to the City about purchasing the four acre site and using it for the District's education center. The City at that time was non-committal on selling the site, not being sure of its long-term plans or needs for the site.

Anticipated Use of the Site

Currently, the District only uses a very small portion of the leased four acres and pays about \$147,000 annually in lease payments. During the construction of the Southeast Water Reliability Project (SWRP), a significant portion of the site may be used as a contractor staging area from Spring 2007 to the end of 2008. After construction, the usage of the site will be about 1.5 acres. The unused portion of the site could be quitclaimed back to the City of Whittier and the District's annual lease be proportionally reduced.

At this time, there is no imminent need to construct any water storage tanks. However in the future should the actual demand for recycled water exceed the capacity of the SRWP Pipeline and long range demand projections, the need for a water storage tank may arise. In such case, the tank for hydraulic reasons would most ideally be located out in the distribution system rather than at the Rio Hondo site. Additional property acquisition or land lease costs will be incurred as part of siting the tank.

Subleasing of the Rio Hondo Pump Station Area

During the early years of the lease, the District subleased a portion of the Rio Hondo Pump Station site for equestrian usage. However, after developing a history of non-payment, the Board took action to evict the sub-lessee.

Over the recent few years, the District has been contacted by a number of entities wishing to sublease the site. The most earnest sublease proposal has come by United Pacific Waste (UPW), a recycled trash hauler. Staff is currently evaluating a draft agreement proposal received from UPW and has concerns about potential contamination issues that may be caused by the refueling station proposed by UPW or by vehicle maintenance performed on site. Additionally, some of the other items that will need to be addressed in future negotiations include: increasing the proposed insurance requirements to meet the District's standards, incorporating a non-permitted use violation deterrent component, providing additional language to ensure proof of insurance documents are maintained up to date and adding in City indemnification clauses to hold the District harmless for actions not caused by the District.

Relocating the District's Administrative Headquarters to the Rio Hondo Pump Station Site

In its search for a new location for the District's administrative headquarters, the Rio Hondo Pump Station site can be considered a potential location. After the completion of the SWRP Project, there will remain about 2.5 acres of unused land at the site, which should be adequate to accommodate a 25,000 square foot building with at least 100 parking spaces. The District, however, would be required to revisit with the City of Whittier the terms of the current lease agreement.

FISCAL IMPACTS:

None at this time.

ENVIRONMENTAL COMPLIANCE:

Not required.

COMMITTEE STATUS:

This item was not reviewed by the Water Resources Committee on October 12, 2006.

RECOMMENDED MOTION:

That the Board authorizes the General Manager and staff to investigate the possible purchase and development of the Rio Hondo Pump Station site.

LIST OF EXHIBITS:

None.