

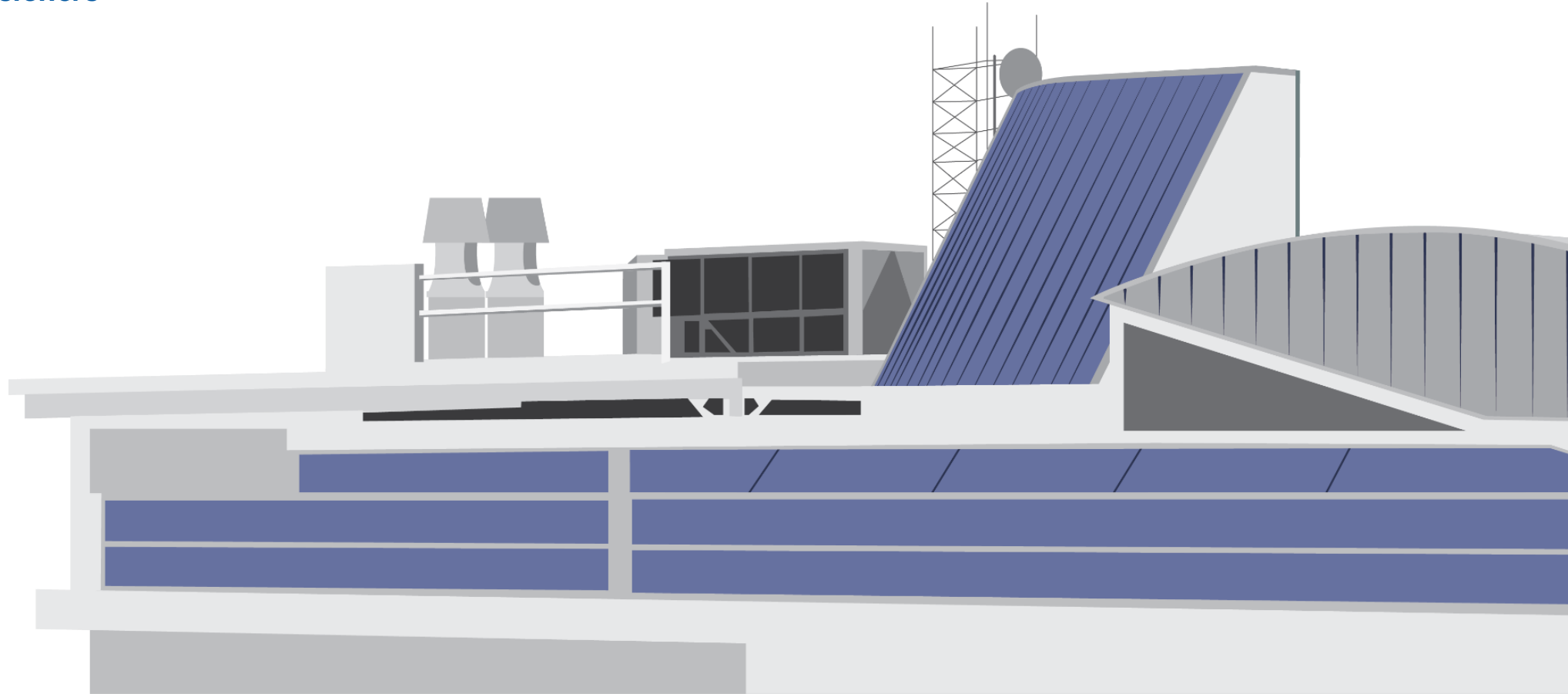


Long Beach Water

Port Water System Transfer

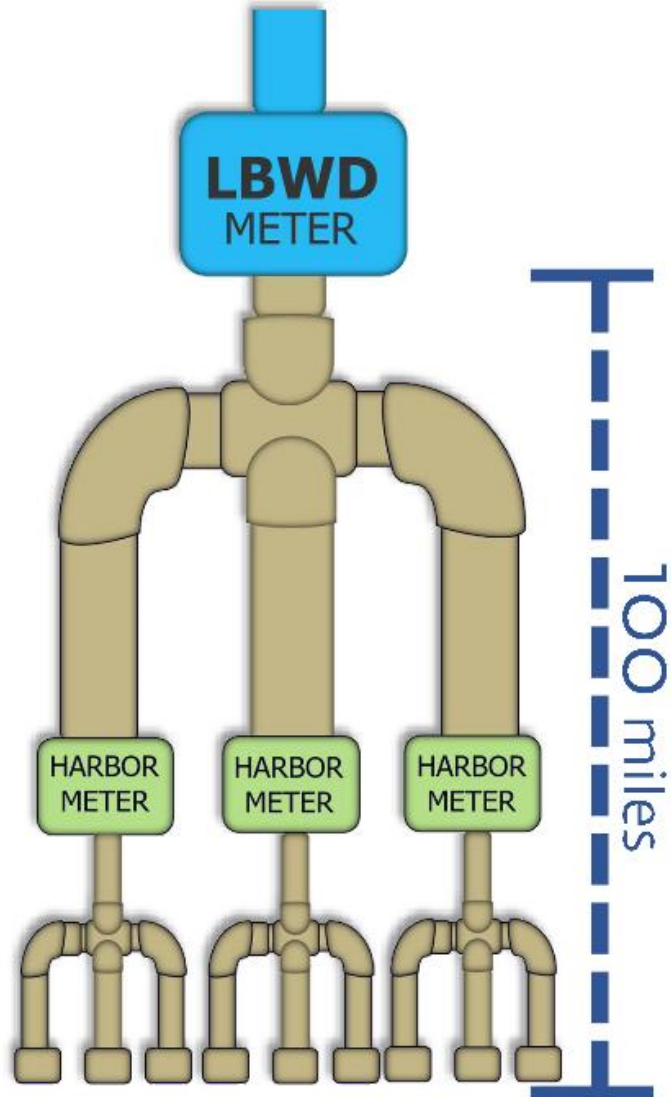
Board of Water Commissioners

December 5, 2019

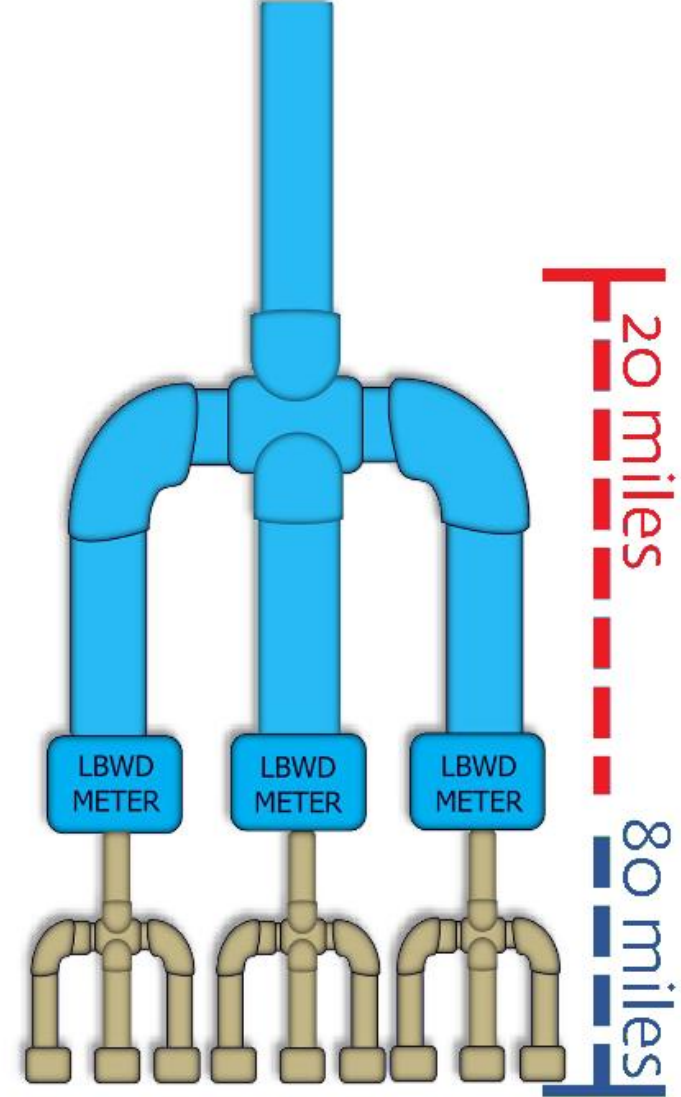


Scope of Proposed Transfer

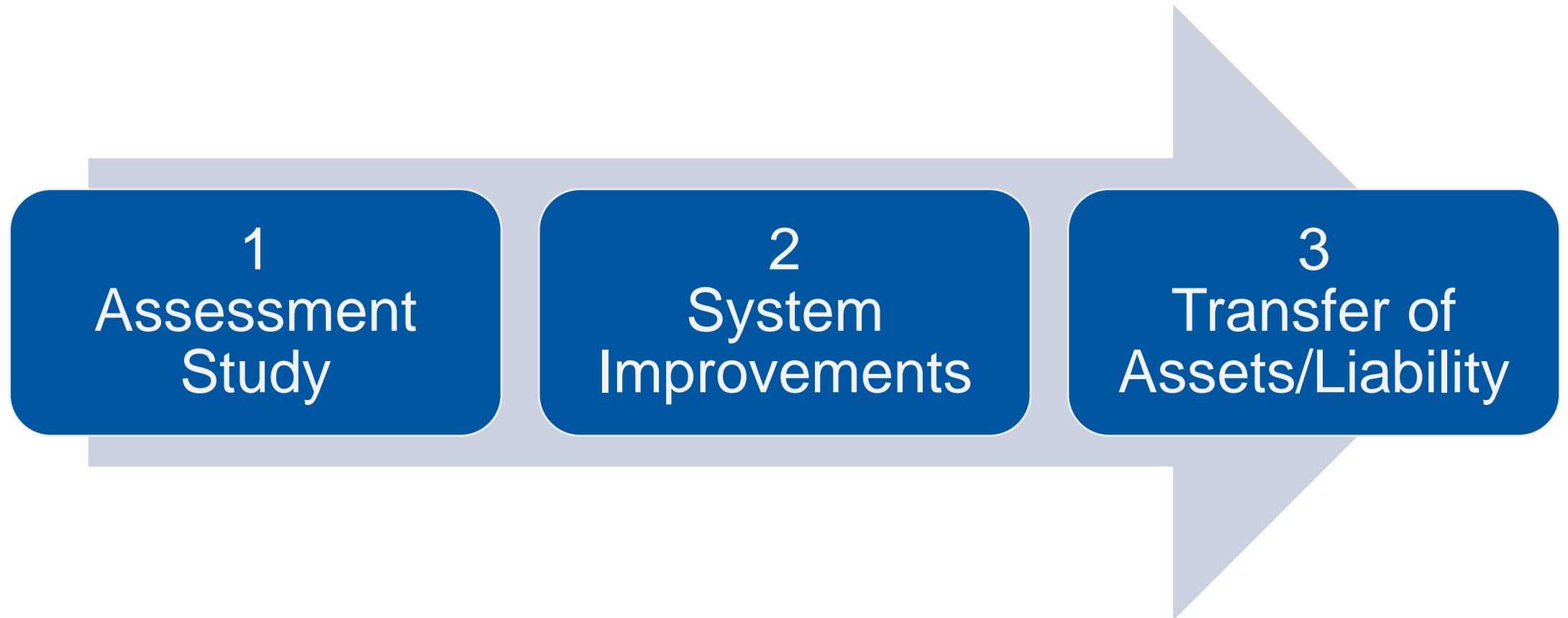
Current System



Proposed System



Draft Memorandum of Understanding



Assessment Study

- LBWD to hire a consultant to perform an assessment of existing system conditions to:
 - Identify improvements to the system needed to meet LBWD standards and state permit requirements
 - Develop an interim and long-term operating plan
- Cost estimate: \$4 million
 - \$363,273 LBWD contribution from Tidelands settlement
 - POLB will fund remainder of assessment study



Improvements

- POLB and LBWD to jointly review and determine improvements from the Assessment
 - Prior 2009 assessment identified \$20 million in improvements, but:
 - The prior assessment was not comprehensive
 - POLB has already proceeded with some upgrades from the prior study
 - Total cost for improvements expected to significantly exceed \$40 million
- POLB to fully fund improvements
- LBWD to carry out improvements



Transfer of Assets/Liability

- Assessment may be phased to transfer operation prior to transfer of assets. LBWD may begin operating the system if:
 - An interim operating plan is developed, and
 - Port tenant meters are replaced with LBWD meters and relocated if necessary
- POLB fully liable until the completion of all improvements
- After completion of all improvements:
 - LBWD fully liable for improvements transferred
 - POLB and LBWD share liability for sections transferred that were not replaced/improved for their remaining useful life (max 30 years)
 - POLB remains liable for hazardous materials even after transfer



Requests from Harbor Commission Committee

- Recognition of asset value being transferred
- Concern for impact on water rates from proposed transfer
- Consideration for alternative water supplies



Next Steps





Long Beach **Water**
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