

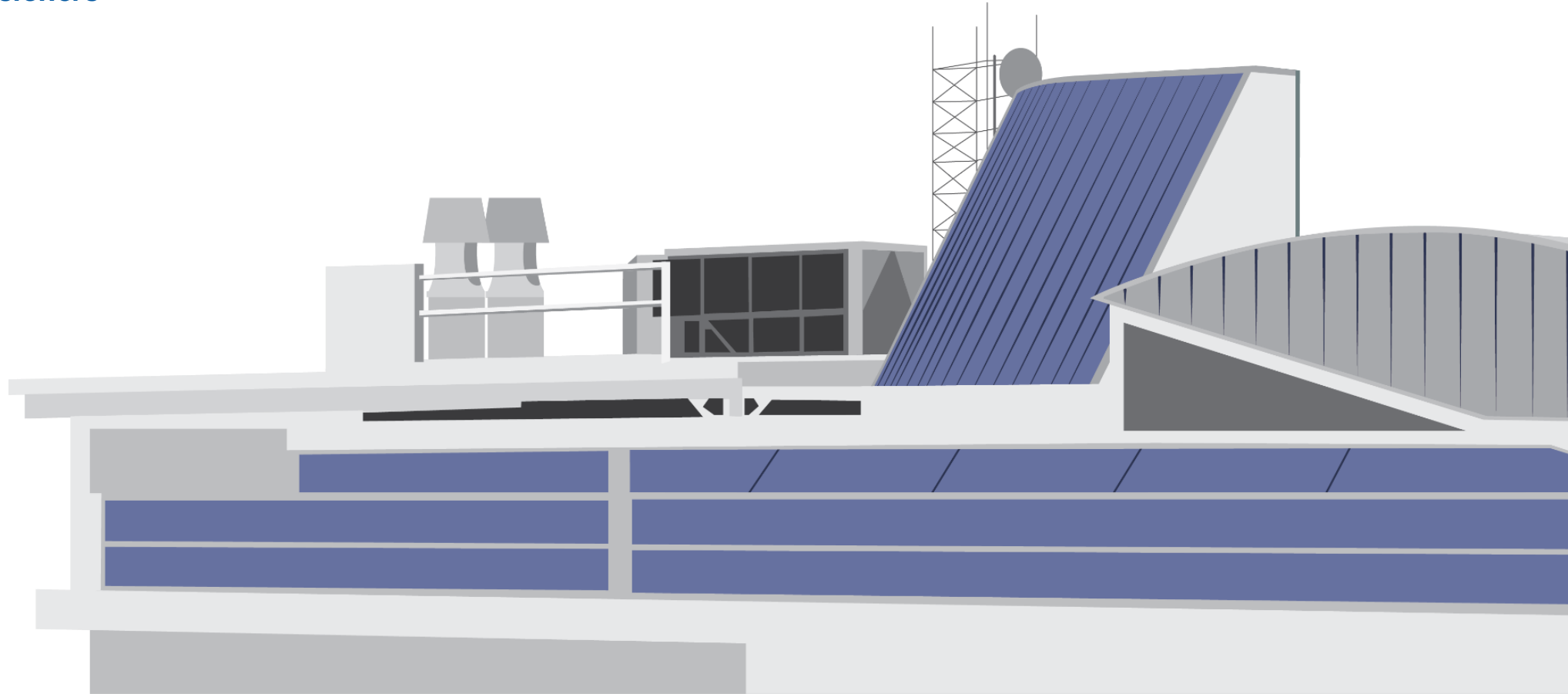


Long Beach Water

Port Water System Transfer

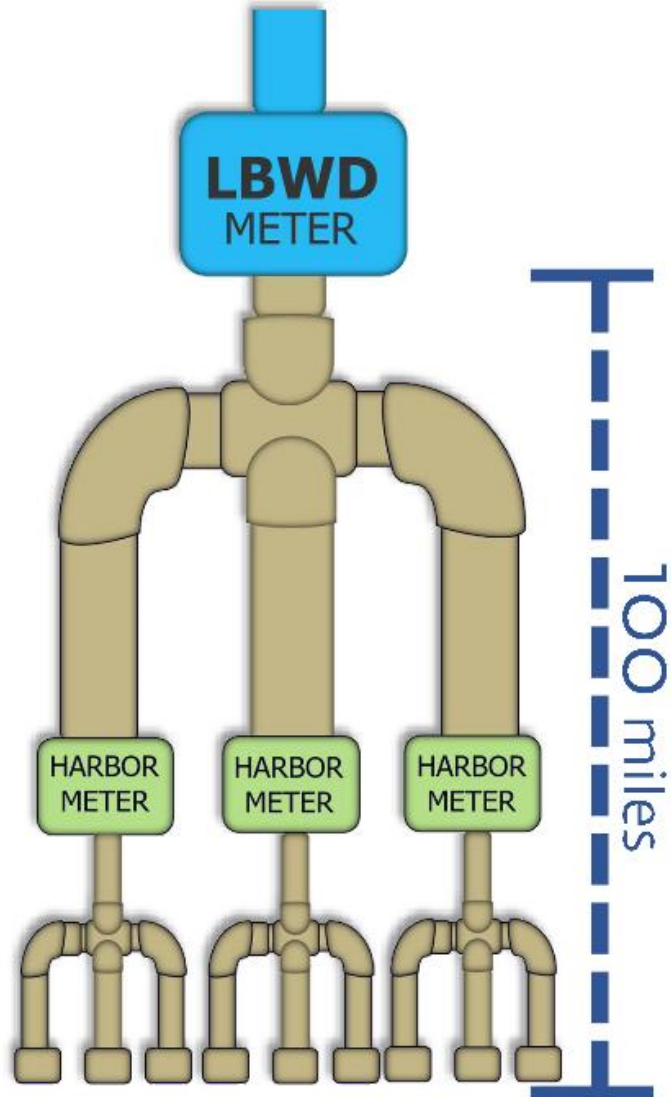
Board of Water Commissioners

January 23, 2020

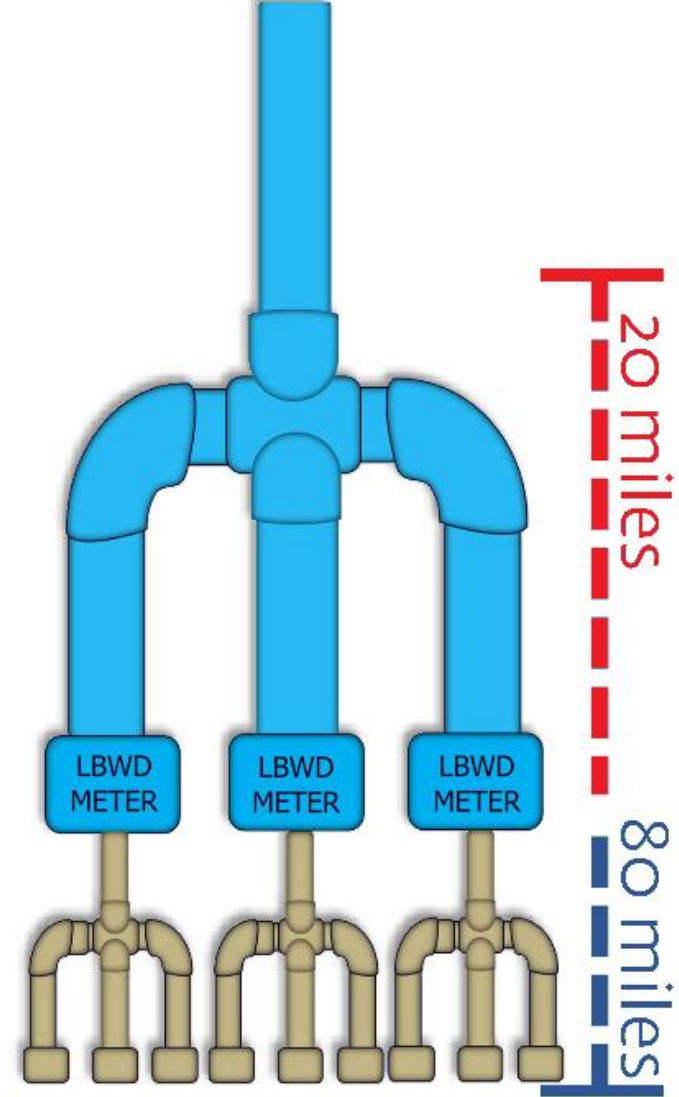


Scope of Proposed Transfer

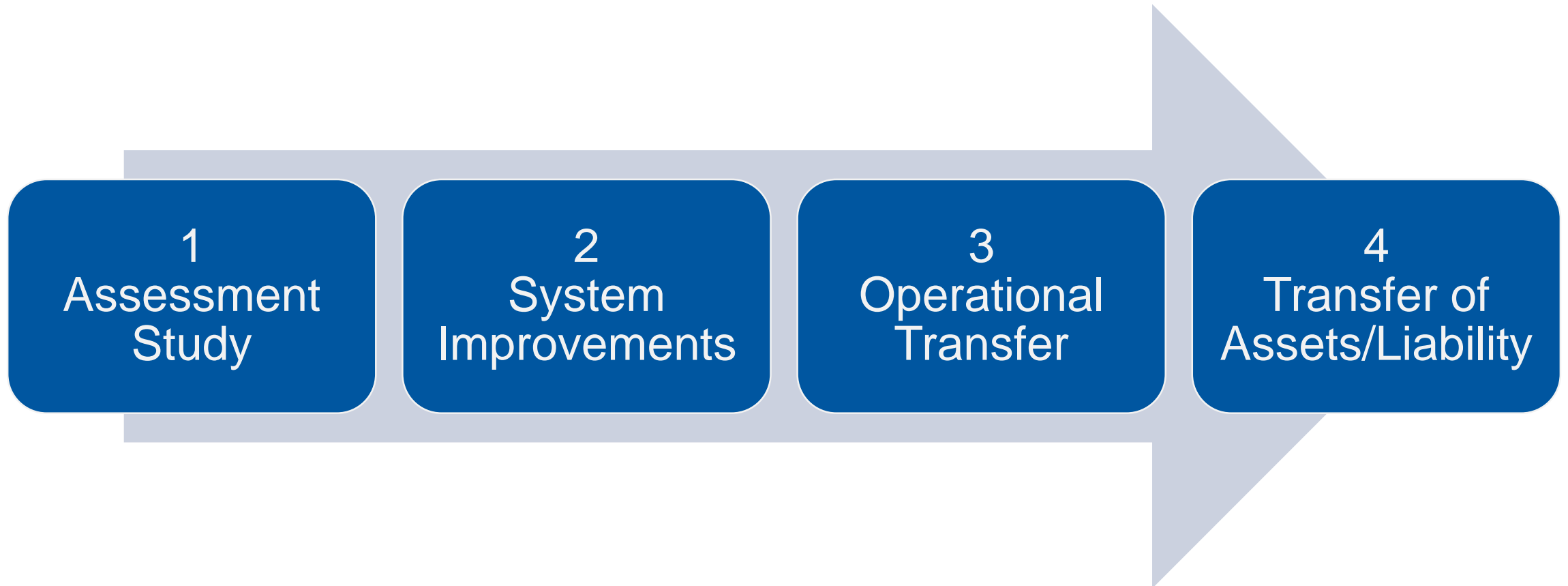
Current System



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
- Assessment Study cost estimate: \$4 million
 - \$363,273 LBWD contribution from Tidelands settlement
 - POLB will fund remainder of assessment study



System Improvements

- POLB and LBWD to jointly review and determine improvements from the Assessment
 - POLB pays for improvement project costs
 - LBWD to contract directly with contractor and provide administrative, engineering and inspection services for improvement projects



Operational Transfer

- 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

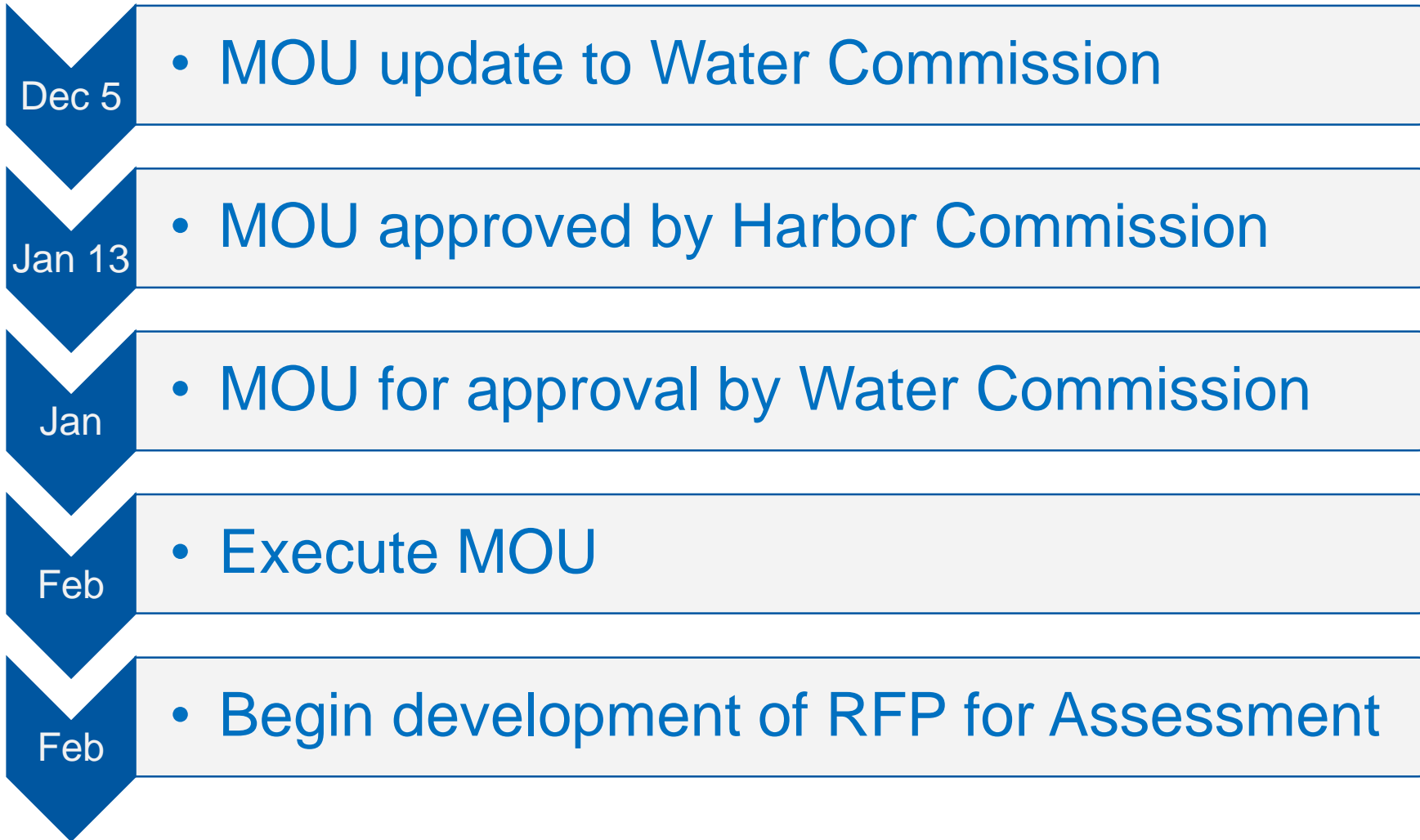


Transfer of Assets/Liability

- 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



Next Steps



— Questions? —