

- **Board of Directors**
Engineering and Operations Committee

December 12, 2000 Board Meeting

8-3

Subject

Authorize increasing the General Manager's previously approved authority by \$136,000 to award a construction contract for chlorine containment and handling facilities for the Robert B. Diemer Filtration Plant (Appn. 15346)

Description

Metropolitan stores and utilizes large quantities of liquid chlorine at each of its five treatment plants. Concentrated chlorine is added to the water during the treatment process for disinfection purposes. Although the likelihood of an accidental release of liquid or gaseous chlorine is extremely remote, the consequences of an accident could be serious. Regulatory agencies are becoming more assertive in enforcing the requirements for containment and handling of released chlorine and other toxic substances.

In April 1999, the Board authorized \$6.1 million to finance all estimated costs and delegated to the General Manager the authority to award a lump-sum construction contract not to exceed \$3.35 million for chlorine containment and handling facilities at the Robert B. Diemer Filtration Plant (Diemer plant). However, the lowest responsible bid received for construction was \$3.486 million. This letter seeks authorization to increase the General Manager's authority by \$136,000 to award the construction contract. Award of the contract is within the program budget.

This project is part of Metropolitan's Chlorine Containment and Handling Facilities Program (Containment Program) which was established in April 1999. The intent of this program is to bring all of Metropolitan's liquid chlorine facilities into the same level of compliance with the Uniform Fire Code. The Containment Program has been subsequently identified as a component of Metropolitan's Infrastructure Reliability and Protection Plan. The Containment Program was evaluated and recommended by the Capital Investment Plan (CIP) Evaluation Team and is included in the Capital Budget for Fiscal Year 2000/01.

The Board determined that the proposed project qualifies for a Categorical Exemption under CEQA at its April 1999 meeting. A Notice of Exemption was subsequently filed with the Orange County Recorder in April 1999.

See [Attachment 1](#) for the detailed report and [Attachment 2](#) for the location map.

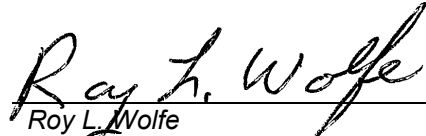

Policy

In accordance with Metropolitan's Administrative Code Section 8113, the Board may delegate to the General Manager the authority to award a construction contract following competitive bids.

Staff Recommendation

Authorize increasing the General Manager's previously approved authority by \$136,000 to award a construction contract for chlorine containment and handling facilities for the Diemer plant.

Fiscal Impact: \$136,000 (funds have been previously appropriated for this purpose and are included in the Capital Budget for Fiscal Year 2000/01).

 _____ Roy L. Wolfe Manager, Corporate Resources	11/17/2000 _____ Date
 _____ Ronald R. Jester General Manager	11/20/2000 _____ Date

Attachment 1 – Detailed Report

Attachment 2 – Location Map

BLA #299

Detailed Report

Purpose/Background. Metropolitan stores and utilizes large quantities of liquid chlorine as a disinfectant at each of its five treatment plants. Liquid chlorine is shipped to Metropolitan's Jensen and Weymouth treatment plants in bulk 90-ton capacity rail cars and to Mills, Diemer and Skinner plants in 17-ton capacity truck trailers. Metropolitan has maintained an excellent safety record considering the enormous quantities used over the years and the potential for an accidental release of chlorine gas. However, the potential consequences of an accident could be serious, which is why Metropolitan continues to be proactive in upgrading its facilities and procedures. The most recent upgrades included construction of a new chlorine process building that was completed in 1996 at the Diemer plant. This project moved the chlorine facilities from the plant's administrative building.

In August 1996, the Orange County Fire Authority (OCFA), a newly established local enforcement authority, conducted a routine inspection of the Diemer plant and observed the new chlorine building. Until that time, Metropolitan's interpretations of the Uniform Fire Code (Code) had been accepted by the various fire officials that had jurisdiction for all five treatment plants. Shortly after their inspection, OCFA issued a Fire and Life Safety Inspection Notice asserting that the new facility was not in compliance with their interpretation of the Code. In response to the notice, Metropolitan conducted a comprehensive study by a consultant to assess the facility design and equipment, and its installation, for compliance with the Code and to recommend any required design changes. The final study resolved a number of compliance issues and provided recommendations to achieve compliance with the Code.

Should Metropolitan fail to make the required improvements, OCFA could conceivably seek to bring misdemeanor charges against Metropolitan for failing to comply with its notice of noncompliance. Alternatively, OCFA could issue a "cease and desist" order if they deemed continued operation of the existing Diemer chlorine facility to be a threat to public safety. Currently, OCFA has given no indication that such an action is being considered. Additionally, Metropolitan may expose itself to legal action from the development group that is currently building a master planned residential/golf community near the Diemer plant. OCFA has informed the developer that the occupancy permit for the development will be withheld until Metropolitan provides the required containment and handling facilities.

In April 1999, the Chlorine Containment and Handling Facilities Program (Containment Program) was initiated with the funding of chlorine containment facilities at the Robert B. Diemer Filtration Plant (Diemer plant). At that time, the Board authorized \$6.1 million to finance all estimated costs and delegated to the General Manager the authority to award a lump-sum construction contract, in form approved by the General Counsel and not to exceed \$3.35 million for the Diemer plant. However, the lowest responsible bid received for construction was \$3.486 million. Therefore, this letter seeks the Board's approval to increase the General Manager's authority by \$136,000 to award a construction contract for chlorine containment and handling facilities at the Diemer plant.

Project Description. Implementation of the Containment Program at the Diemer plant consists of the following project components: (1) chlorine storage and containment building for the 17-ton liquid chlorine truck trailers; (2) chlorine scrubbing systems to neutralize released chlorine in the storage and containment building, chlorinator room or chlorine evaporator rooms; (3) other modifications to the existing chlorine process building to provide the safety and health improvements required by the Code; and finally (4) provisions for activation of a fail-safe backup disinfection system to ensure Metropolitan does not violate provisions of the Surface Water Treatment Rule in the event of a significant chlorine release which will automatically shut down the primary chlorine feed system. Metropolitan forces will perform construction management, contract administration and field inspection. The project is within budget and it is anticipated that the project will be completed within the appropriated amount of \$6.1 million.

CEQA Compliance / Environmental Documentation

The proposed project qualifies for a Categorical Exemption under the California Environmental Quality Act (CEQA) because it consists of: (a) the minor alteration of existing public facilities involving negligible use beyond that previously existing; (b) the replacement or reconstruction of existing facilities located on the same site and having substantially the same purpose; (c) the construction of a limited number of new small facilities and; (d) construction of minor structures appurtenant to existing institutional facilities (State CEQA Guidelines, sections 15301, 15302, 15303, 15311). The Board determined that the proposed project qualifies for a Categorical Exemption under CEQA at its April 1999 meeting. A Notice of Exemption was subsequently filed with the Orange County Recorder in April 1999.

These actions satisfy the provisions of CEQA in regard to these matters; no further environmental review or documentation is necessary for the Board to act on this request.

Actions and Milestones

- February 2002 - Complete construction of Diemer plant chlorine containment and handling facilities

