

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

October 14, 2003 Board Meeting

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**8-1**

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**Subject**

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Appropriate \$1.2 million in reimbursable funds for studies and design of fluoridation facilities at four of Metropolitan's filtration plants; and authorize entering into an agreement with CGvL Engineers in an amount not to exceed \$500,000 for design services (Approp. 15414)

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**Description**

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In February 2003, Metropolitan's Board adopted a policy to fluoridate Metropolitan's five treatment plants. Fluorosilicic acid has been selected as the most cost-effective bulk chemical to be used for the fluoridation process. Metropolitan has finalized an agreement with the California Dental Association Foundation whereby Metropolitan will be reimbursed up to \$5.5 million for capital costs incurred to implement fluoridation at its five treatment plants.

Staff has completed preliminary design of fluoridation facilities for the Robert A. Skinner Filtration Plant (Skinner plant). Final design and construction of these facilities will be conducted as part of the Skinner Expansion No. 4 project, with an on-line date of mid-2006.

This action provides funds for studies and design activities related to fluoridation facilities at the remaining four plants. A combination of Metropolitan staff and consultant staff will perform this work. Metropolitan staff will conduct project studies and preliminary designs. An engineering consultant will create the final designs. In order to implement this project plan, it is recommended that Metropolitan enter into a professional services agreement with CGvL Engineers. CGvL Engineers was selected through a competitive process (Request for Qualifications 578).

This action authorizes \$1.2 million for studies and design activities for adding fluoridation facilities to the Robert B. Diemer, Joseph Jensen, Henry J. Mills, and F. E. Weymouth filtration plants, and authorizes entering into a professional services agreement with CGvL Engineers, a Small Business Enterprise, for design services in an amount not to exceed \$500,000.

This project has been evaluated and recommended by the Capital Investment Plan Evaluation Team and funds have been included in the fiscal year 2003/04 capital budget.

See [Attachment 1](#) for the detailed report and [Attachment 2](#) for the financial statement.

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**Policy**

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Metropolitan Water District Administrative Code § 5108: Capital Project Appropriation  
Metropolitan Water District Administrative Code § 8117: Professional and Technical Consultants

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**California Environmental Quality Act (CEQA)**

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CEQA determination for Option #1:

The Fluoridation System Program (Program) for all filtration plants was previously determined to be statutorily exempt under the provisions of CEQA and State CEQA Guidelines. The Program was determined by the Board to be exempt under Section 15282(n) of the State CEQA Guidelines on February 11, 2003. A Notice of Exemption (NOE) was filed on the Program at that time and the statute of limitations has ended. With the current board action, there is no substantial change proposed to the Program since the original NOE was filed.

Hence, the previous environmental documentation in conjunction with the current board action fully complies with CEQA and the State CEQA Guidelines. Accordingly, no further CEQA documentation is necessary for the Board to act with regards to the proposed action. In addition, the appropriation of funds and awarding the agreement to CGvL Engineers is not subject to CEQA because these actions involve other government fiscal activities, which do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

The CEQA determination is: Determine that the Program has been previously addressed in the 2003 NOE (Section 15282 (n) of the State CEQA Guidelines) and that no further environmental analysis or documentation is required. In addition, determine that the appropriation of funds and award of agreement are not subject to CEQA per Section 15378(b)(4) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

**Board Options/Fiscal Impacts**

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**Option #1**

Adopt the CEQA determination and

- a. Appropriate \$1.2 million in budgeted funds;
- b. Authorize all study and design activities for the implementation of fluoridation at the Diemer, Jensen, Mills, and Weymouth plants; and
- c. Authorize entering into a professional services agreement with CGvL Engineers for engineering services in an amount not to exceed \$500,000.

**Fiscal Impact:** \$1.2 million of budgeted and reimbursable CIP funds under Appropriation 15414

**Option #2**

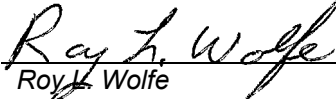
Do not authorize study and design activities for implementation of fluoridation at the Diemer, Jensen, Mills, and Weymouth plants and do not authorize entering into a professional services agreement with CGvL Engineers. Implementation of this option will delay implementation of fluoridation.

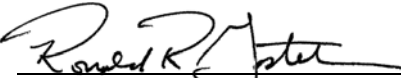
**Fiscal Impact:** None

**Staff Recommendation**

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Option #1

	9/5/2003
_____ Roy L. Wolfe Manager, Corporate Resources	Date

	9/24/2003
_____ Ronald R. Gastelum Chief Executive Officer	Date

**Attachment 1 – Detailed Report**

**Attachment 2 – Financial Statement for All Filtration Plants - Fluoridation System Program**

## Detailed Report

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### *Background/Purpose*

In October 1995, Governor Pete Wilson signed into law Assembly Bill 733, which conditionally mandated fluoridation of any public water supplies that have at least 10,000 service connections. Under this law, a water utility would not be required to comply with the provisions of the adopted regulation unless sufficient funds were made available. Metropolitan is exempt from conditions of this law. Since AB 733 became law, the California Department of Health Services (CDHS) adopted regulations for its implementation, and state, regional and local public health officials have indicated their strong desire to see fluoridation implemented on the largest possible scale in order to maximize the financial and medical benefits of treating municipal drinking water supplies. The state of California has concentrated its ongoing efforts on securing limited funding for the largest public water systems with an interest in fluoridating its supplies, including the cities of Sacramento, Los Angeles, and San Diego. The California Dental Association Foundation (CDAF), a non-profit benefit corporation, in conjunction with a statewide fluoridation taskforce, has offered to reimburse Metropolitan for the capital costs of construction and installation of fluoridation equipment at each of its five treatment plants.

In February 2003, Metropolitan's Board adopted a policy to fluoridate Metropolitan's five treatment plants. Fluorosilicic acid has been selected as the most cost-effective bulk chemical to be used for the fluoridation process.

### *Project Description*

The fluoridation facilities at each plant will include fluorosilicic acid storage tanks; tank foundations; chemical feed facilities; spill containment for the truck unloading, storage and feed equipment areas; piping; on-line fluoride analyzers; and accessories.

Staff has completed preliminary design of fluoridation facilities for the Robert A. Skinner Filtration Plant (Skinner plant). In July 2003, Metropolitan's Board authorized final design of Skinner Expansion No. 4, which includes fluoridation facilities. Addition of fluoridation facilities at the Skinner plant will be coordinated with and constructed in conjunction with the other planned Skinner plant improvements. Design documents produced for the Skinner plant will be used as a model for the remaining four plants' fluoridation facilities.

A request for Statements of Qualifications (SOQs) to Provide On-Call Process and Plant Engineering Services (RFQ 578) was issued in December 2002. Metropolitan received 16 submittals to provide plant engineering services. Staff evaluated the SOQs and short-listed nine firms. Staff recommends entering into an engineering agreement at this time with CGvL Engineers, a Small Business Enterprise with offices in Orange and San Diego counties. Staff believes that cost and schedule efficiencies will be realized by allowing a single firm to concentrate on design of fluoridation facilities for the remaining four plants, using the design documents developed for the Skinner plant as a guide.

This action authorizes \$1.2 million for all study and design activities for the remaining four treatment plants, and authorizes entering into an agreement with CGvL Engineers for plant engineering services in an amount not to exceed \$500,000. Metropolitan staff will perform project management and perform studies and preliminary designs for the remaining four plants. CGvL Engineers will perform final designs for the remaining four plants.

Using a single consulting firm to perform this work for the Diemer, Jensen, Mills, and Weymouth plants will promote standardization of facilities, is consistent with the Corporate Resources Group's staffing plan as incorporated in the fiscal year 2003/04 budget, and ensures that fluoridation is implemented by 2006. The final design cost as a percentage of the estimated total construction cost is approximately 15 percent. The Engineering Services goal for design of projects with construction costs less than \$10 million is 9 to 15 percent.

***Cost Estimate***

Attachment 2 shows the total requested funding of \$1.2 million for study and design activities for the four plants. A geotechnical consultant will perform studies and CGvL will conduct final designs. The costs for design and construction of fluoridation facilities will be tracked for reimbursement by the CDAF.

The total program estimate for addition of fluoridation to Metropolitan's five filtration plants is \$5.5 million. Therefore, the CDAF contribution of \$5.5 million will provide a complete reimbursement of Metropolitan's capital costs.

***Project Milestones***

January 2005 – Board award of construction contract for fluoridation facilities at the Skinner plant (as part of Skinner Expansion No. 4)

Mid 2005 – Board awards of construction contracts for fluoridation facilities at the Diemer, Jensen, Mills, and Weymouth plants

2006 – Completion of construction of all fluoridation facilities

**Financial Statement for All Filtration Plants – Fluoridation System Program**

A breakdown of Board Action No. 1 for Appropriation No. 15414 for the Fluoridation Program is as follows:

	<b>Initial Board Action No. 1 (Oct. 2003)</b>
Labor	
Studies and Investigations	\$260,000
Design and Specifications	0
Owner Costs (Program management )	180,000
Water System Operations	50,000
Materials and Supplies	0
Incidental Expenses	1,000
Professional/Technical Services (CGvL and a geotechnical consultant)	560,000
Equipment Use	0
Remaining Budget	149,000
<b>Total</b>	<b><u><u>\$1,200,000</u></u></b>

**Funding Request**

<b>Program Name:</b>	All Filtration Plants – Fluoridation System		
<b>Source of Funds:</b>	Construction Funds (General Obligation, Revenue Bonds, Pay-As-You-Go Fund)		
<b>Appropriation No.:</b>	15414	<b>Board Action No.:</b>	1
<b>Requested Amount:</b>	\$ 1,200,000	<b>Capital Program No.:</b>	15414-T
<b>Total Appropriated Amount:</b>	\$ 1,200,000	<b>Capital Program Page No.:</b>	E-4 (Approp. 03414-T)
<b>Program Estimate:</b>	\$ 5,500,000*	<b>Program Goal:</b>	T-Stewardship

\* The capital budget for fiscal year 2003/04 states a program estimate of \$6,460,000. The reduced Total Program Estimate of \$5,500,000 reflects lower construction cost estimates (refined as a result of preliminary design activities, including value engineering). Upon Board approval, the CIP expenditure plan will be adjusted to reflect this decrease.