

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

September 13, 2005 Board Meeting

8-4

Subject

Appropriate \$2.60 million; and authorize (1) final design of two ozone contactors at the Mills Water Treatment Plant, and (2) an agreement with URS Corporation for project management support

Description

The Henry J. Mills Water Treatment Plant was placed into service in 1978 with an initial capacity of 75 mgd. The plant was expanded twice and is currently rated to treat 160 mgd, which is the design capacity of the existing ozone contactors. The Mills plant exclusively treats State project water and delivers treated water to Eastern Municipal Water District and Western Municipal Water District of Riverside County.

When the Mills Oxidation Retrofit Program (ORP) was initiated in 1996, the ozone treatment capacity was established at 326 mgd to match the overall hydraulic capacity of the Mills plant following completion of Mills Expansion No. 2 in 1996. Due to low-demand conditions in the Mills service area, Modules 1 and 2 were removed from service in 1997 and have not operated since.

In January 2000, Metropolitan's Board adopted staff's recommendation to reduce the Mills ozone contactor capacity to 160 mgd. At that time, the Board was informed that this decision would be revisited in approximately three years to assure that Metropolitan's overall supply needs are met in the future. Following the board action, staff completed design of the 160-mgd Mills ORP project and construction was completed in September 2003.

Mills Capacity Upgrade Program

Due to rapid development occurring in Riverside County, staff recommends upgrading the Mills plant to its full 326-mgd capacity. In March 2005, the Board authorized preliminary design and preparation of environmental documentation for the Mills Capacity Upgrade Program. The objective of the Mills Capacity Upgrade Program is to increase the treatment capacity of the ozonation process to match the 326-mgd capacity of the remainder of the plant, and to rehabilitate existing plant facilities to reliably treat 326 mgd. There are four projects within the program: Addition of Ozone Contactors 3 and 4, Modules 1 and 2 Rehabilitation, Solids Handling Enhancements, and Post-Filter Disinfection Upgrades. Preliminary design and environmental documentation for the Ozone Contactors 3 and 4 Project have been completed and staff recommends proceeding with final design.

Ozone Contactors 3 and 4 – Final Design (\$2.74 million)

Under the completed Mills ORP, two ozone contactors with a combined capacity of 160 mgd were installed. To increase the treatment capacity of the ozonation process to match the 326-mgd capacity of the remainder of the plant, two new ozone contactors are required. The scope of work includes addition of Contactors 3 and 4, extension of influent and effluent conduits, extension of the ozone feed and off-gas piping systems, enlarged chemical feed systems for the larger ozonation facilities, control system modifications, and sampling system extension.

This action appropriates \$2.60 million and authorizes all activities up to award of a construction contract for the Mills Ozone Contactors 3 and 4 Project. Final design will be performed by Metropolitan staff and is scheduled to be completed by April 2006. The final design budget as a percentage of the estimated construction cost is approximately 10 percent. The Engineering Services goal for final design as a percentage of construction is 9 to 12 percent for projects over \$3 million.

This project has been evaluated and recommended by Metropolitan's Capital Investment Plan Evaluation Team and funds have been included in the fiscal year 2005/2006 capital budget. The planned date for completion of construction of the new ozone contactors is June 2008.

Staff plans to return to the Board in December 2005 for authorization of final design for the Modules 1 and 2 Rehabilitation, Solids Handling Enhancements, and Post-Filter Disinfection Upgrades.

See [Attachment 1](#) for the Financial Statement and [Attachment 2](#) for the Location Map.

Project Management Support Agreement – URS Corporation

Project management support of capital projects includes tasks such as developing and maintaining project schedules, monitoring cost expenditures, developing status reports, developing presentations and graphics, and document control. Collectively, these functions are referred to as project controls. Project controls support for the Mills Capacity Upgrade, Perris Valley Pipeline, and Orange County Cross Feeder Programs are needed to effectively manage these programs. For efficiency, these programs are grouped together. This approach means that a single agreement will provide support to a number of capital programs, allowing Metropolitan to take advantage of efficiencies gained from fully dedicated consulting resources.

Selection of consultants to provide project management support followed a competitive process. RFQ 661 was issued in September 2004 to obtain support in project scheduling, budgeting, reporting, presentation development, and document control. In response to RFQ 661, 17 firms submitted Statement of Qualifications, of which six were deemed to be qualified to provide the types of services planned. Project support activities for the three identified programs are estimated to range between \$2 to \$3 million over the next five years.

This action authorizes the CEO to enter into a professional services agreement for project management support with URS Corporation in an amount not to exceed \$0.6 million per year, for five years. No additional funding or project authorizations are required at this time, and no work is guaranteed to URS Corporation under the agreement. Initial phases of the work to be performed by URS Corporation have previously been authorized and funded by the Board. Future phases of work will be recommended to the Board under individual capital programs for authorization and funding. No work will be performed pursuant to this agreement unless this work has been previously authorized and funded by the Board. For this agreement, Metropolitan has established a Small Business Enterprises participation goal of 25 percent. URS Corporation has committed to meet this requirement.

This action appropriates \$2.60 million, authorizes final design of the Mills Ozone Contactors 3 and 4 Project, and authorizes a consulting agreement for project management support.

Policy

Metropolitan Water District Administrative Code Section 5108: Capital Project Appropriation

California Environmental Quality Act (CEQA)

CEQA determinations for Option #1:

Mills Capacity Upgrade - Final Design

The environmental effects from the design, construction, and operation of the Ozone Contactors 3 and 4 were originally evaluated in the Henry J. Mills Water Filtration Plant Expansion Final Environmental Impact Report (Final EIR), which was certified by the Board on February 12, 1991. The Board also approved the Findings of Fact (findings), the Mitigation Monitoring and Reporting Program (MMRP), and the overall expansion, including ORP and the Ozone Contactors. The present proposed board actions are solely based on appropriating the budgeted funds, carrying out the final design, and implementing other related activities up to award of a construction contract for Ozone Contactors 3 and 4 at the Mills plant and not on any other substantial changes to the original project. Hence, the previous environmental documentation taken by the Board in conjunction with the proposed actions fully complies with CEQA and the State CEQA Guidelines. Accordingly, no further CEQA documentation is necessary for the Board to act on the proposed actions.

The CEQA determination is: Determine that the proposed actions have been previously addressed in the certified 1991 Final EIR and adopted documentation (i.e., findings and MMRP) and that no further environmental analysis or documentation is required.

New Project Management Support - URS Corporation

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project which 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 proposed action is not subject to the provisions of CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options/Fiscal Impacts

Option #1

Adopt the CEQA determinations and

- a. Appropriate \$2.60 million in budgeted funds;
- b. Authorize final design of the Mills Ozone Contactors 3 and 4 Project; and
- c. Authorize an agreement with URS Corporation for project management support in an amount not to exceed \$0.6 million a year for five years.

Fiscal Impact: \$2.60 million of budgeted funds under Approp. 15424 (Mills Plant Capacity Upgrade Program)

Option #2

Do not initiate final design of Mills Ozone Contactors 3 and 4 Project. This will result in the Mills plant capacity being limited to the existing ozone contactor capacity of 160 mgd. Future demands by member agencies within the Mills delivery area would need to be met through the development of other resources or supplies such as conservation or recycling. Do not authorize the professional services agreements and instead use Metropolitan staff to provide limited project support.

Fiscal Impact: Unknown

Staff Recommendation

Option #1


Roy L. Wolfe
Manager, Corporate Resources

8/9/2005
Date


Dennis B. Underwood
CEO/General Manager

8/22/2005
Date

Attachment 1 – Financial Statement

Attachment 2 – Location Map

BLA #3744

Financial Statement for Mills Capacity Upgrade Program

A breakdown of Board Action No. 2 for Appropriation No. 15424 for the Mills Capacity Upgrade Program is as follows:

	Previous Total Appropriated Amount (Mar. 2005)	Current Board Action No. 2 (Sept. 2005)	New Total Appropriated Amount
Labor			
Studies and Preliminary Design	\$ 1,030,000	\$	\$ 1,030,000
Final Design		1,971,000	1,971,000
Owner Costs (Program management, permitting, bid process, environmental documentation)	556,000	482,000	1,038,000
Materials and Supplies	10,000		10,000
Incidental Expenses	10,000		10,000
Professional/Technical Services	1,540,000	47,000	1,587,000
Equipment Use			
Contracts			
Remaining Budget	254,000	100,000	354,000
Total	\$ 3,400,000	\$ 2,600,000	\$ 6,000,000

Funding Request

Program Name:	Mills Capacity Upgrade Program		
Source of Funds:	Revenue Bonds, Replacement and Refurbishment or General Funds		
Appropriation No.:	15424	Board Action No.:	2
Requested Amount:	\$ 2,600,000	Capital Program No.:	15424-S
Total Appropriated Amount:	\$ 6,000,000	Capital Program Page No.:	E35
Total Program Estimate:	\$ 70,500,000	Program Goal:	Reliability

