

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**MINUTES**

**ENGINEERING AND OPERATIONS COMMITTEE**

**June 11, 2012**

Chair Evans called the meeting to order at 11:30 a.m. in Committee Room 2-145 at Metropolitan's Headquarters.

Members present: Chair Evans, Vice Chair Brown, Directors Barbre, Blake, Camacho, Grunfeld, Millard, Montalvo, Morris, Peterson, Record, Steiner, and Wright.

Members absent: Directors De Jesus, Little, Lowenthal and Sanchez.

Other Board members present: Directors Ackerman, Dick, J. T. Edwards, Friedman, Griset, Heidel, Lewinger, Murray and Wilson.

Staff present: Arita, Becerra, Boyd, L. Carillo, Casillas, Coffey, Collins, C. Gabelich, J. Green, S. Hom, Hattar, Hong, G. Johnson, Kightlinger, Koch, Lai-Bluml, Lambeck, W. Lieu, Man, Morel, M. Parsons, Riss, Rogers, Shraibati, Scully, M. Stewart, Stites, J. Vrsalovich, D. West, B. Yamasaki.

**1. OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE COMMITTEE ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION**

No members responded.

**2. APPROVAL OF THE MINUTES OF THE ENGINEERING AND OPERATIONS COMMITTEE MEETING HELD MAY 7, 2012.**

Approved

Motion: Director Wright

Seconded: Director Grunfeld

### 3. CONSENT CALENDAR ITEMS – ACTION

**7-2**            Subject:            Appropriate \$1.9 million; and authorize (1) detailed reliability investigations of site improvements for Metropolitan’s distribution system within the Orange County and Western San Bernardino County operating regions; (2) preparation of programmatic environmental documentation for the identified work; and (3) professional services agreement with Dudek in an amount not to exceed \$975,000 (Approp. 15474)

Presented by:    Engineering Services Group Senior Engineer John Vrsalovich

Motion:            Adopt the CEQA determination and

- a. Appropriate \$1.9 million;
- b. Authorize detailed reliability investigations of the Orange County and Western San Bernardino County operating regions;
- c. Authorize preparation of programmatic CEQA documentation for the Orange County and Western San Bernardino County operating regions; and
- d. Authorize professional services agreement with Dudek in an amount not to exceed \$975,000.

Motion Carried    Moved: Director Blake            Seconded: Director Grunfeld

### 4. OTHER BOARD ITEMS – ACTION

**8-5**            Subject:            Appropriate \$5 million; and authorize capital program for projects costing less than \$250,000 for fiscal years 2012/13 and 2013/14 (Approp. 15476)

Presented by:    Engineering Services Group Team Manager Francisco Becerra

Motion:            Adopt the CEQA determination and

- a. Appropriate \$5 million for capital projects costing less than \$250,000 for fiscal years 2012/13 and 2013/14;
- b. Authorize the General Manager to initiate capital projects costing less than \$250,000 and perform all required work including the preparation of necessary environmental documentation; and
- c. Designate the General Manager as the decision-making body for purposes of reviewing, approving, and certifying any environmental documentation which may be required for such projects.

Motion Carried    Moved: Director Peterson            Seconded: Steiner

Director Peterson asked what happens when projects exceed the \$250,000 Minor Capital Projects Program budget limit. Group Manager Gordon Johnson responded

that those projects are transferred to another capital appropriation so that the funds do not come out of the appropriated \$5 million, thus opening up funds for other minor capital projects.

Director Steiner asked if issues identified during the recent audit of the minor capital program were going to be addressed in the Quarterly CIP Report. Mr. Johnson replied that staff has been reporting on these projects on a summary level, and in some cases, insufficient detail on individual projects was provided. Staff will be providing more detailed information in the Quarterly CIP Report.

Chief Operating Officer Debra Man reiterated that the audit did not reveal any inaccuracies related to program charges.

Director Blake wanted to know how the appropriated funding varies from last year. Ms. Man replied that the requested \$5 million is for two fiscal years in accordance with the biennial budget. Ms. Man added that it was about \$2.67 million last year.

Director Murray reminded staff to maintain the commitment to the Small Business Enterprise program.

- 8-6**      Subject:            Appropriate \$2.35 million; and award \$1,438,442 contract to Steiny and Company, Inc. for the Weymouth Emergency Broadcast System (Approp. 15440)
- Presented by:        Engineering Services Group Senior Engineer Gloria Lai-Bluml
- Motion:              Adopt the CEQA determination and
- a. Appropriate \$2.35 million; and
  - b. Award \$1,438,442 contract to Steiny and Company, Inc. to rehabilitate the Weymouth Emergency Broadcast System.

Motion Carried    Moved: Director Wright      Seconded: Director Morris

Director Grunfeld wanted to know if the public address system being installed would last as long as the original system installed in the 1960s, and if there would be an increase to the cost of installing the public address system once ozonation was complete at the Weymouth Plant. Mr. Johnson replied that some of the electronic components, such as master controllers and amplifiers, will need to be replaced over time. However, a wholesale replacement would not be required for approximately another 50 years. He added that the design of the public address system has been coordinated with the ozone project. The ozone facilities will be connected to the Weymouth system once ozonation is complete, at no additional cost.

Director Edwards wanted to know if staff considered the latest technology for the public address system. Mr. Johnson replied that the type of equipment being installed is fiber optics, which is the latest technology for this type of system. He added that staff considered Wi-Fi, and due to reliability and coverage concerns, staff did not feel it was worth the investment at the time.

Director Blake wanted to know if there are other similar projects at the plant which

have been delayed and that could have been done earlier. Mr. Johnson replied that projects have been coordinated and scheduled to minimize interferences between contractors. The emergency broadcast system project is one of many projects that have been coordinated with the ozone work at the Weymouth Plant.

Director Montalvo wanted to know if the emergency broadcast system provides coverage to the surrounding community. Group Manager Jim Green replied that the system is facility-wide and does not address the nearby community.

Director Peterson asked if the public address system was also an emergency broadcast system. Mr. Johnson confirmed that the public address system meets the requirement, and thus, doubles as an emergency broadcast system.

Director Peterson expressed his concern with the close proximity of the mobile homes behind the plant and the noise that could come from the public address system. Chief Operating Officer Debra Man confirmed that staff will be sensitive to the sound that comes from the public address system.

- 8-7**      **Subject:**            Appropriate \$140.4 million; award \$95,497,513 construction contract to Archer Western Contractors LLC; award \$332,000 procurement contract to Systems Integrated, Inc.; and authorize agreements with (1) Ozonia North America in an amount not to exceed \$907,000; (2) Environmental Science Associates in an amount not to exceed \$750,000; (3) Lee & Ro, Inc. in an amount not to exceed \$300,000; (4) Process Applications, Inc. in an amount not to exceed \$300,000; and authorize amendments to existing agreements with (5) Carollo Engineers for a new not-to-exceed total of \$14,721,000; and (6) Tetra-IBI Group for a new not-to-exceed total of \$3,008,000 to construct ozonation facilities at the F. E. Weymouth Water Treatment Plant (Approp. 15392)
- Presented by:**        Engineering Services Group Principal Engineer Mai Hattar
- Motion:**                Adopt the CEQA determination and
- a. Appropriate \$140.4 million and
  - b. Award \$95,497,513 contract to Archer Western Contractors LLC to construct ozonation facilities at the Weymouth plant;
  - c. Award \$332,000 procurement contract to Systems Integrated, Inc. for control systems equipment;
  - d. Authorize increase of \$2,021,000 to the existing agreement with Carollo Engineers, for a new not-to-exceed total of \$14,721,000;
  - e. Authorize increase of \$250,000 to the existing agreement with Tetra-IBI Group, for a new not-to-exceed total of \$3,008,000;
  - f. Authorize agreement with Environmental Science Associates in an amount not to exceed \$750,000;

- g. Authorize agreement with Lee & Ro, Inc. in an amount not to exceed \$300,000;
- h. Authorize agreement with Ozonia North America in an amount not to exceed \$907,000; and
- i. Authorize agreement with Process Applications, Inc. in an amount not to exceed \$300,000.

Motion Carried Moved: Director Morris Seconded: Director Peterson

Director Blake inquired about the reasons that the bid was \$25 million less than what was projected for this project. Mr. Johnson and Ms. Man replied that besides the excellent prices from suppliers and sub-contractors; the difference is primarily due to the current extremely competitive bidding environment.

## 5. BOARD INFORMATION ITEMS

**9-1** Subject: Options to enhance the solids handling capability of the Joseph Jensen Water Treatment Plant.

Presented by: Chief Operating Officer Debra Man

Director Grunfeld stated his support for the Los Angeles Department of Water and Power (LADWP) lease agreement, adding that the plan benefits the district and the region.

Director Peterson expressed concern about high groundwater at the LADWP lagoons compared to the proposed Metropolitan lagoons area. Director Peterson also stated his concerns about security risks from the public area next to the Jensen facility. Further, Director Peterson added that it is not Metropolitan's obligation to supply recreational areas for the City of Los Angeles.

Director Grunfeld responded by stating that he was unaware of any security issues from the ball fields and that because the ball fields already exists, Metropolitan is not placed in the business of recreation.

Director Barbre asked if LADWP would indemnify Metropolitan if there were a breakage of Metropolitan's solids transfer line in an area outside of the Jensen facility. Ms. Man responded that, as a tenant, Metropolitan would be responsible for spills resulting from its own failures.

Director Barbre then asked if it costs any more to operate the lagoons in LADWP property than it would to operate on Metropolitan's property. Ms. Man and Mr. Green confirmed, that operational costs are comparable assuming the groundwater management system is functional.

Director Wright commented on the favorable market conditions and competitive bidding environment for Metropolitan.

Director Edwards requested clarification on the fees to discharge to the LADWP sewer

and what Metropolitan would need to secure to operate Jensen at its maximum design capacity.

Director Peterson asked if the LADWP ponds have the same percolation characteristics as the proposed Metropolitan ponds.

Ms. Man responded that Metropolitan's property is on higher ground and does not have the high groundwater issue. Ms. Man added that the LADWP ponds will not operate very well if high groundwater is allowed to continue. If the groundwater management system is put in place and maintained as specified in the agreement, then the ponds should work effectively.

Director Peterson expressed concern that Metropolitan must be fully indemnified from hazardous waste risks at the site.

Senior Deputy General Counsel Cathy Stites clarified that Metropolitan's Legal Department is aware of the concerns and has put together a comprehensive indemnification. Ms. Stites added that LADWP has agreed to take responsibility and indemnify Metropolitan for any liability arising out of commingling of LADWP's waste or water with Metropolitan's solids decant water or any hazardous material that may reach groundwater.

General Manager Jeff Kightlinger concluded that staff will return to the board next month to address the issues raised and will propose an action item to move forward.

## 6. COMMITTEE ITEMS

a. Subject: Oral report on Hydraulic Fracturing

Presented by: Water System Operations Group Environmental Specialist  
Christopher Gabelich

Director Griset asked why trade secrets and the small amounts of chemicals were exempted from Colorado's and Wyoming's chemical disclosure laws. Environmental Specialist Christopher Gabelich responded that fracking fluids are often mixtures of chemicals, many of which are proprietary blends. These exemptions allow the petroleum companies to maintain their competitive advantage and avoid undue reporting requirements.

Director Griset then asked about the physical separation between the groundwater aquifers and the areas being fracked, noting that hydraulic fracturing often occurs thousands of feet, if not miles, below the surface. Mr. Gabelich responded that in Long Beach, the aquifer levels are fairly shallow and fracking is done as low as 800 feet below the ground, so there is a close proximity to where they're getting the oil resources and potable water wells.

Director Dick requested that future presentations discuss the economic benefits of natural gas development, as well as the use of new technologies in fracking. Mr. Kightlinger responded that this presentation was purely from the water industry's

perspective, as opposed to energy industry's perspective. Mr. Kightlinger added that a future report would include the economic benefits of energy development.

Director Millard asked if there is a collaborative effort being made to monitor the 650 known fracking chemicals in Colorado River water. Ms. Man responded that staff will be monitoring for these chemicals to establish a baseline.

Mr. Green concluded the meeting by recognizing Mike Morel's 35 years of service to Metropolitan and mentioned that he will be retiring June 29, 2012.

## **7. MANAGEMENT REPORTS**

None

## **8. FOLLOW-UP ITEMS**

None

## **9. FUTURE AGENDA ITEMS**

None

Next meeting will be held on July 9, 2012.

## **10. ADJOURNMENT**

Meeting adjourned at 1:09 p.m.

Director Evans  
Chair