



- Board of Directors
Engineering and Operations Committee

11/19/2013 Board Meeting

8-3

Subject

Authorize reimbursable agreement with the Los Angeles Department of Water and Power to refurbish solids lagoons; and authorize agreement with MWH Americas for engineering services

Executive Summary

This action authorizes a reimbursable agreement with the Los Angeles Department of Water and Power (LADWP) in an amount not to exceed \$5 million. Under the agreement, Metropolitan will design and refurbish four existing solids lagoons which are to be used by Metropolitan pursuant to a 50-year use agreement that was executed in February 2013. Use of these lagoons will support reliable, long-term solids handling at the Joseph Jensen Water Treatment Plant. This action also authorizes a professional services agreement in an amount not to exceed \$400,000 to provide engineering support.

No funds are required in this action, as all of Metropolitan's costs will be reimbursed by LADWP.

Timing and Urgency

The recently executed agreement with LADWP permits Metropolitan to use four solids lagoons at the Los Angeles Aqueduct Filtration Plant for a period of 50 years. The use of these lagoons, supplemented by a planned mechanical dewatering facility, will provide sufficient capacity to meet the anticipated solids handling needs of the Jensen plant. Under this agreement, four existing lagoons will be used by Metropolitan initially, while two of the four lagoons will be returned to LADWP for its use after 10 years. Metropolitan may then construct two new lagoons on LADWP property so that four lagoons remain available for Metropolitan use through the full duration of the agreement.

The refurbishment work for the existing solids lagoons is proceeding as planned. Per LADWP's request, Metropolitan is performing the preliminary design, final design, and construction of the lagoon refurbishment. An initial reimbursable agreement between LADWP and Metropolitan for a not-to-exceed amount of \$100,000 was executed under the General Manager's authority in January 2013 for Metropolitan to perform preliminary design of the LADWP lagoon refurbishment. This work has now been completed. Staff recommends moving forward with a new reimbursable agreement with LADWP to complete the final design and construction. The proposed agreement was approved by LADWP's Board of Commissioners on October 1, 2013.

Details

Background

The Jensen plant was placed into service in 1972 with an initial capacity of 400 mgd. The plant was expanded in the early 1990s to its current capacity of 750 mgd. The Jensen plant exclusively treats water from the West Branch of the State Water Project, and delivers it to Metropolitan's Central Pool and to exclusive service areas in the western portion of the distribution system. The plant is located in Granada Hills.

In December 2012, Metropolitan's Board authorized an agreement with LADWP for Metropolitan to use existing solids lagoons and to construct two new lagoons at the Los Angeles Aqueduct Filtration Plant over a period of 50 years. A total of four lagoons may be used by Metropolitan at one time. In conjunction with a future

mechanical dewatering facility, this agreement provides sufficient capacity to meet the Jensen plant's anticipated solids handling needs. This agreement was executed on February 28, 2013.

Under the 50-year lagoon use agreement, LADWP is to fund refurbishment of the four existing lagoons for use by Metropolitan. Per LADWP's request, Metropolitan is performing the preliminary design, final design, and construction of the lagoon refurbishment at LADWP expense. An initial reimbursable agreement between LADWP and Metropolitan with a not-to-exceed total of \$100,000 was executed under the General Manager's authority in January 2013 for Metropolitan to perform preliminary design of the lagoon refurbishment. The work has been completed, and a new reimbursable agreement is needed to move forward with the final design and construction.

Reimbursable Agreement for Lagoon Refurbishment (Los Angeles Dept. of Water and Power) – No funds required

The planned refurbishment work includes construction of paved ramps for ingress and egress of the lagoons, new lagoon underdrains, modifications to the decanting and overflow system, repair of lagoon floors, and all other activities required to refurbish four lagoons for Metropolitan's use. In addition, the work includes any piping modifications necessary to ensure that the four lagoons are isolated from other lagoons used by LADWP. Metropolitan will provide support in the areas of project management, design, procurement, construction support, and miscellaneous technical support. Under the proposed agreement, Metropolitan's obligations include:

- Design, procurement, refurbishment, installation of equipment, and start-up of the four lagoons to be refurbished;
- Project management;
- Preparation of documentation needed for any further compliance with the California Environmental Quality Act (CEQA);
- Award and administration of a professional services agreement for design and engineering support during construction; and
- Award and management/inspection of a construction contract.

LADWP's obligations under the proposed agreement include:

- Providing necessary data and information, field material samples, design review, and reasonable site access;
- Approval of Metropolitan's work products including the design, procurement contract, and construction;
- Isolation of the four lagoons for Metropolitan's use from the other lagoons used by LADWP;
- Completing construction of an earthen dike between Lagoons Nos. 2 and 3, power service to support the refurbished existing lagoons, modification of existing Los Angeles Aqueduct Filtration Plant spill water control and inlet structures for Lagoons Nos. 2 and 3, and a new groundwater management facility to eliminate the need for construction dewatering during refurbishment of Lagoons Nos. 2, 3, 7, and 8, and for proper operation of the existing lagoons;
- Support for start-up of the refurbished lagoons by coordinating operation of the Los Angeles Aqueduct Filtration Plant and its backwash process;
- Characterization and handling of any hazardous substances or wastes discovered during the work outlined in the agreement, and funding and properly disposing of contaminated soil and/or groundwater per federal, state, and local hazardous waste regulations, if necessary;
- Assuming responsibility for complying with all laws, including but not limited to: environmental compliance, land use permits, operating permits, and permits necessary to use Metropolitan's decant/underdrain/overflow water as source water for the Los Angeles Aqueduct Filtration Plant; and

- Reimbursing Metropolitan for its costs including the actual cost of labor, equipment, materials, and other services, and the Metropolitan-awarded construction contract.

This action authorizes a reimbursable agreement with LADWP in an amount not to exceed \$5 million. LADWP will reimburse Metropolitan for all direct and indirect costs incurred, including the fully burdened cost of Metropolitan staff labor.

Professional Services Agreement for Engineering Services (MWH Americas)

MWH Americas provided specialized technical assistance to Metropolitan during preliminary design of the Jensen solids handling improvements and refurbishment of the four existing LADWP solids lagoons. Staff recommends that MWH Americas provide engineering support for final design to refurbish the LADWP lagoons. MWH Americas was selected through a competitive process via Request for Qualifications No. 1032. For this agreement, Metropolitan has established a Small Business Enterprise participation level of 18 percent.

The final design scope will include preparation of drawings and specifications for the refurbishment work, development of a construction cost estimate, preparation of addenda during the bid advertisement period, and any other technical support required in advance of award of a construction contract.

This action authorizes an agreement with MWH Americas in an amount not to exceed \$400,000 for engineering support to refurbish the LADWP solids lagoons.

Summary

This action authorizes the General Manager to enter into a reimbursable agreement with LADWP, and authorizes an agreement with MWH Americas for engineering services. LADWP's Board of Commissioners approved the proposed reimbursable agreement on October 1, 2013. Following this action, no further agreements are required for this project to move forward. Staff will return to the Board at a later date for award of the construction contract.

No funds are required in this action, as all of Metropolitan's costs will be reimbursed by LADWP. See [Attachment 1](#) for the Location Map.

Policy

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter Contracts

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The potential environmental effects of the proposed action were evaluated in the Final Environmental Impact Report and Addendum No. 1 prepared for the Jensen Solids Handling Facility Project (Final EIR), which was certified by the Board on December 11, 2012. The Board also approved the Findings of Fact (findings), the Statement of Overriding Considerations (SOC), the Mitigation Monitoring and Reporting Program (MMRP), and the project itself. The current board action is solely based on entering into an agreement for activities already addressed in the Final EIR, and not on any changes to the approved project itself. Hence, the previous environmental documentation acted on by the Board in conjunction with the proposed action fully complies with CEQA and the State CEQA Guidelines. Accordingly, no further CEQA documentation is necessary for the Board to act on the proposed action.

The CEQA determination is: Determine that the proposed action has been previously addressed in the certified 2012 Final EIR, findings, SOC, and MMRP, and that no further environmental analysis or documentation is required.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination that the proposed action has been previously addressed in the certified 2012 Final EIR, findings, SOC, and MMRP, and that no further environmental analysis or documentation is required, and

- a. Authorize reimbursable agreement with the Los Angeles Department of Water and Power in an amount not to exceed \$5 million; and
- b. Authorize agreement with MWH Americas in an amount not to exceed \$400,000 for engineering services.

Fiscal Impact: None. All costs will be fully reimbursed by LADWP.

Business Analysis: This option will support reliable, long-term Jensen plant operation for a flowrate of 500 mgd, and will reduce up-front capital expenditures of approximately \$29.3 million due to deferral of the mechanical dewatering facility at the Jensen plant for seven years or longer.

Option #2

Do not authorize the agreements.

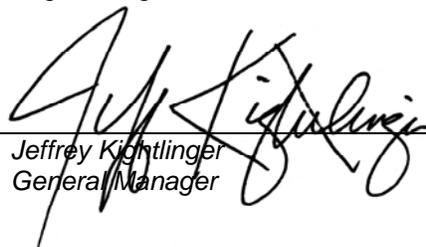
Fiscal Impact: None

Business Analysis: Under this option, Metropolitan would decline to refurbish the four solids lagoons on behalf of LADWP. This option would likely delay the completion of lagoon refurbishment, which is required for reliable operation of the Jensen plant.

Staff Recommendation

Option #1


 _____ 10/28/2013
 Gordon Johnson Date
 Manager/Chief Engineer
 Engineering Services


 _____ 11/5/2013
 Jeffrey Kichtlinger Date
 General Manager

Attachment 1 – Location Map

Ref# es12625554

Distribution System

