



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** September 20, 2016

**TO:** Mayor and Councilmembers

**FROM:** Water Resources Division, Public Works Department

**SUBJECT:** Amendment To Professional Service Agreements Associated With El Estero Wastewater Tertiary Filtration Plant

**RECOMMENDATION:** That Council:

- A. Authorize the Public Works Director to execute an amendment to Professional Service Agreement No. 21600223 with Trussell Technologies, Inc., to increase services for operational support for recycled water facility modifications, and increase the contract by \$149,524, for a total not to exceed amount of \$184,480;
- B. Authorize the City Attorney to execute an amendment to Legal Services Agreement No. 21600241 with Morris Polich & Purdy, LLP, to increase the contract amount by \$165,000 for a total not to exceed amount of \$200,000, for provision of legal services for potential litigation associated with the El Estero Wastewater Tertiary Filtration Project; and
- C. Approve a transfer of funds from Water Fund reserves to the Water Capital Fund in the amount of \$314,524, and amend the budgets in each funds accordingly, to cover the additional costs associated with the amended professional service agreements for the El Estero Wastewater Tertiary Filtration Plant.

**DISCUSSION:**

Background

The City's original Recycled Water Treatment Plant (Plant) was constructed in 1989 at the El Estero Wastewater Treatment Plant. It was one of the first recycled water facilities in California and was designed to produce approximately four million gallons of recycled water per day (MGD), thereby reducing the need for potable water. It was in operation for over 20 years, and was in need of significant rehabilitation to allow for the effective production of recycled water. Therefore, after a competitive Request for Proposals and selection process, Council awarded a contract to CDM Smith (CDM) on January 24, 2012, to perform engineering assessment and preliminary design services

for the Tertiary Filtration Replacement Project (Tertiary Project). Council subsequently awarded a contract to CDM on February 26, 2013, for final design services. Final design was completed and the project was competitively bid.

On April 29, 2014, Council awarded a contract to Schock Contracting Corporation (Schock) for the construction of the Tertiary Project, Bid No. 3688A. The work generally consisted of demolishing the existing Plant's media filters and constructing a new 3 MGD Ultrafiltration Complex, including ancillary facilities, for cleaning the membranes and associated chemical systems. Additional work included rehabilitation of the recycled water storage reservoir, reconfiguring the piping and existing chemical storage sites, and improvements to the storm water drainage system.

During construction, it was discovered that CDM included water quality data in the bid documents that was not representative of the feed water supplied to the Plant. Because this data was used as the basis for selecting and purchasing the filtration membranes, new membranes were needed to treat the quality of water actually supplied and produce the amount of water required by the design specifications. This design error also impacted the timing of the Tertiary Project, delaying start-up of the new Plant to late October 2015. Additionally, the specifications were revised to account for the fact that, based on the actual feed water quality, the Plant as designed and constructed would only produce 2.5 MGD of recycled water.

On June 30, 2015, Council authorized an \$879,000 increase to Schock's construction contract to cover costs associated with procuring and installing different filtration membranes that would be able to properly filter feed water to the Plant. On October 30, 2015 the City received approval from the State Water Quality Control Board to discharge water from the newly constructed 2.5 MGD recycled water facility into its distribution system; however, the facility only produced 0.7 MGD of recycled water on a reliable basis.

On June 10, 2016, staff executed a Professional Service Agreement (PSA) with Trussell Technologies, Inc. (Trussell), in an amount not to exceed \$34,956 to provide operational support for approximately eight weeks in order to optimize recycled water production to meet summer demands, and to evaluate membrane system capacity. Trussell is a leading expert in water and wastewater processes, with direct experience in assisting facilities similar to the City's, achieving ideal operating conditions, and maximizing water production. Through Trussell's assistance, operational changes were made and the Plant can now reliably produce 1.5 MGD of recycled water. The Plant, however, is still not producing at its designed capacity, and additional changes and modifications will need to be made.

### Recommendation

Based on Trussell's knowledge of the Plant and their proven success in increasing recycled water capacity, staff would like to continue to utilize Trussell's expertise and services to advise the City on the design and operational changes necessary for the

Plant to reliably produce 2.5 MGD of recycled water. Staff therefore recommends that Council authorize an amendment to the Professional Service Agreement with Trussell, to allow for continued operational support services, and to increase the contract amount by \$149,524 for a total not to exceed amount of \$184,480.

Additionally, in June 2016 the City Attorney's Office entered into a Legal Services Agreement in an amount not to exceed \$35,000 with the law firm of Morris Polich & Purdy, LLP (MPP) to provide legal support associated with potential litigation resulting from design and construction of the Plant. Based on the complexity of the potential litigation, the City Attorney's Office recommends that the City continue to retain MMP as special legal counsel, and to increase the Legal Service Agreement by \$165,000, for a not to exceed amount of \$200,000.

**BUDGET/FINANCIAL INFORMATION:**

Staff recommends that Council authorize a transfer of \$314,524 from Water Fund reserves to the Water Capital Fund, and approve the related budget adjustments, for the amended Professional Service Agreements associated with the El Estero Wastewater Tertiary Filtration Plant.

**PREPARED BY:** Lisa Arroyo, Wastewater System Manager/mh

**SUBMITTED BY:** Rebecca J. Bjork, Public Works Director

**APPROVED BY:** City Administrator's Office