

CENTRAL BASIN MUNICIPAL WATER DISTRICT

MAY 11, 2004 – Water Resources

Morse, Cole

MAY 24, 2004 – Board Meeting

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Approved by: Darryl G. Miller

ACTION CALENDAR

RECYCLED WATER SYSTEM IMPROVEMENTS AT GENERAL DYE

SUMMARY:

Staff has been working with General Dyeing & Finishing, located in Santa Fe Springs, regarding their potential conversion to recycled water use for their industrial processes. General Dye's operation consumes an estimated average of 450 acre-feet per year of water. Based on staff's analysis of the Central Basin recycled water system in the Santa Fe Springs area, it was determined that for Central Basin to serve recycled water to General Dye, improvements to the Central Basin recycled water system are required. In determining the scope and best location for these improvements, General Dye offered to accommodate the facilities on its property, thereby eliminating the need for Central Basin to procure property for construction of the improvements.

With the completion of the design and specifications, bid documents were made available on April 28, 2004 to all contractors interested in submitting a bid on the Recycled Water System Improvements at General Dyeing. A Pre-Bid meeting took place at the General Dyeing facilities on May 5, 2004. The bid opening was held on May 18, 2004; one bid was received from Schuler Engineering and was 20% over the Engineer's Estimate of \$310,000. Staff is recommending rejecting the bid and reissue bid documents for this project.

Staff is undertaking a community outreach effort to explain the impacts to the local businesses and the City of Santa Fe Springs. The community outreach effort will be underway before the construction work begins.

Staff has also been working with General Dyeing regarding the design and construction of the improvements. Staff discussed with General Dye, in detail, the proposed agreements as approved by the Central Basin Board at the March 2004 meeting, the Recycled Water Service Agreement, and the Construction & Operations License Agreement. Staff has not received any comments to these documents from General Dye as of yet, though the Plant Manager appears to agree, at least in concept, with the agreements as proposed. Staff and legal counsel have prepared additional insurance language as requested by Director Morse at the April Board Meeting, and will include this language in the Construction & Operations Agreement.

During the 14-day start-up Phase of the recycled water system improvements, Central Basin and General Dyeing had agreed that this water would be provided to General Dyeing at no cost. At a meeting District staff had with Santa Fe Springs, City staff requested that they be able to bill General Dyeing for the start-up water and that Central Basin then reimburse General Dyeing for the amount they paid for the recycled water during that period. The Water Service Agreement has been amended to reflect this reimbursement arrangement, and is attached as Exhibit "A" for the Board's approval.

Due to additional analysis and design work on the project, additional design efforts to complete the design of the Recycled Water System Improvements Project are necessary. The increase in the design scope included additional work on the pumping, electrical, and facility controls system. In order to complete the design, Water 3 Engineering is requesting an amendment of their contract for an amount not-to-exceed \$9,972. A copy of this request is included as Exhibit "B".

FISCAL IMPACTS:

Funds are budgeted in the Capital Improvement Budget for fiscal years 2003-04 and 2004-05. Operational expenditures, including electrical power and routine maintenance costs, are to be borne by General Dye.

ENVIRONMENTAL COMPLIANCE:

As part of the environmental requirements, categorical exemption documentation has been prepared. California Department of Health Services (DHS) coordination will be conducted during the design phase. Staff will also be coordinating with the City of Santa Fe Springs Department of Building & Safety regarding any concerns they may have.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Committee on May 11, 2004 and recommended for approval at the May 24, 2004 Board meeting.

RECOMMENDED MOTION: That the Board authorizes the General Manager to:

1. Reject the bid received from Schuler Engineering to construct the Recycled Water System Improvements at General Dyeing and direct staff to reissue bid documents for this project; and
2. Amend the existing contract with Water 3 Engineering to provide additional engineering services on the Recycled Water System Improvements at General Dye Project for an amount not-to-exceed \$9,972, bringing the total contract amount to \$24,398.
3. Execute the revised Water Service Agreement with General Dyeing and the City of Santa Fe Springs, as to form.

EXHIBITS:

EXHIBIT "A" - Revised General Dyeing Water Service Agreement
EXHIBIT "B" - Water 3 Engineering Amendment Proposal