

**MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER**

To: BOARD OF SUPERVISORS

Date: NOVEMBER 23, 2010

From:  JAMES DURFEE / WILL DICKINSON

**Subject: SMD 1 WASTEWATER TREATMENT PLANT UPGRADE:
AUTHORIZATION TO COMPLETE PROJECT DESIGN**

ACTION REQUESTED/RECOMMENDATION: Authorize staff to complete design of the Sewer Maintenance District 1 (SMD 1) Wastewater Treatment Plant Upgrade Project (Upgrade Project) under a previously approved contract with Owen Psomas Engineering.

BACKGROUND: SMD 1 provides sewer service to approximately 7,900 Equivalent Dwelling Units in the North Auburn area. The SMD 1 Wastewater Treatment Plant (Plant 1), constructed in 1961, uses biological and filtration processes that cannot meet current regulatory standards included in its current discharge permit with the Regional Water Quality Control Board (RWQCB). Compliance schedules that provided the County protection from fines and third party lawsuits expired on March 1, 2010. Staff anticipates fines of approximately \$234,000 per year from now until September 2015, when monthly fines could total \$2,500,000 per year until compliance is achieved.

On May 18, 2010, your Board approved an Agreement with Owen Psomas (Psomas) for final design (\$3,173,700) and construction management (\$4,710,800) of the Upgrade Project; however, your Board requested staff return for further spending authorization prior to progressing beyond \$750,000. On August 10, 2010, your Board authorized an additional \$600,000 to allow continued progress. Psomas has billed nearly \$1,350,000 for design work since May 18, 2010. With this funding they have completed revisions to the Preliminary Design Report, conducted a value engineering study, completed the 30% design documents, and nearly completed the 60% design. Through this process, Psomas has eliminated unnecessary project components and refined the facility layout. Staff now estimates the total cost of the Upgrade Project at \$64.3 million, of which \$2.0 has been spent to date. The remaining project costs total \$62.3 million including all remaining engineering and environmental contracts (already encumbered), administration, and construction costs.

On September 22, 2010, SMD 1 received a new discharge permit and Cease and Desist Order that requires the County to:

- Complete final design and environmental clearance of the Upgrade Project by July 31, 2011;
- Award the construction contract by December 31, 2011; and
- Complete construction by December 31, 2014.

The Upgrade Project is currently on schedule to meet these deadlines. Staff recommends your Board authorize completion of final design for the Upgrade Project, in order to meet the Cease and Desist Order deadlines, minimize the mandatory penalties

mentioned above, and minimize the risk of incurring discretionary fines or third party lawsuits.

ENVIRONMENTAL CLEARANCE: Authorizing the expenditure of additional design funds does not constitute a Project under the California Environmental Quality Act. Environmental review of the proposed Upgrade Project is being prepared concurrently with the project design.

FISCAL IMPACT: Sufficient funds are available in the SMD 1 Wastewater Treatment Plant Upgrade Capital Project Budget to cover the entire cost of the design tasks in the Agreement (\$3,173,700). Approximately \$1,350,000 has been spent to date.

JD:WD:BZ:LM
CC: COUNTY EXECUTIVE OFFICE

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