

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

To: **BOARD OF SUPERVISORS**

Date: **AUGUST 10, 2010**

From:  **JAMES DURFEE / WILL DICKINSON**

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

ACTION REQUESTED/RECOMMENDATION: Authorize the expenditure of an additional \$900,000 for 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 7,800 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 penalties of at least \$111,000 per year from now until we are in compliance with our permit requirements.

Your Board has been considering two options for achieving compliance with the new Plant 1 permit requirements: 1) the Upgrade Project, which requires a nearly complete rebuild of Plant 1, and 2) the SMD 1 Regional Sewer Project, which requires replacing Plant 1 with a pump station, constructing a large sewer pipeline to Lincoln and expanding the Lincoln Treatment Plant to accommodate SMD 1 flows.

On May 18, 2010, your Board approved an Agreement with Owen Psomas for final design (\$3,173,700) and construction management (\$4,710,800) of the Upgrade Project; however, you also specified that staff should return to your Board for further authorization prior to spending more than \$750,000. The intent of that action was to provide an opportunity for additional evaluation of the Regional Project cost estimate (most currently estimated at \$141 million) before fully committing to the Upgrade Project. Owen Psomas has billed nearly \$750,000 for design work since May 18, 2010. With this funding they have substantially completed revisions to the Preliminary Design Report and made significant progress on the 30% design documents. Through this process Owen Psomas has eliminated unnecessary project components and refined the facility layout, resulting in a new lower cost estimate of \$69 million for the Upgrade Project.

On July 27, 2010, your Board approved an Agreement with Brown & Caldwell to perform value engineering and prepare updated cost estimates for the Regional Project. Staff estimates that this work will be completed by mid-October. Staff intends to return to your Board with updated cost information on both projects in late November or early December. In order to continue showing progress toward compliance with our permit, staff recommends that your Board authorize the expenditure of an additional \$900,000 to further develop the Upgrade Project design through December.

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 \$750,000 has been spent to date.

JD:WD:BZ:LM

CC: COUNTY EXECUTIVE OFFICE

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