

**MINUTES OF THE LOS ANGELES GATEWAY REGION
INTEGRATED REGIONAL WATER MANAGEMENT JOINT POWERS AUTHORITY BOARD
(L.A. GATEWAY AUTHORITY)
AT PARAMOUNT, CALIFORNIA
THURSDAY, JUNE 10, 2010**

A regular meeting of the Board of Directors of the Gateway Authority was held on Thursday, June 10, 2010 at Noon at the Clearwater Building at 16401 Paramount Blvd., Paramount, CA 90723.

Chair Chris Cash called the meeting to order at 12:15 p.m. Roll was called through self-introductions and a quorum was declared present.

BOARD MEMBERS PRESENT:

Chair Christopher Cash	Paramount
Vice Chair Adriana Figueroa	Norwalk
Shannon DeLong (alt for Desi Alvarez)	Downey
Dave Hill (alt for Art Aguilar)	Central Basin Municipal Water District
Charlie Emig (alt for Vince Brar)	Cerritos
Gina Nila (alt for Jorge Rifa)	Commerce
Jim Glancy	Lakewood
Mark Christoffels <i>arr. 12:17pm</i>	Long Beach
Kevin Wattier	Long Beach Water Department
Al Cablay	Pico Rivera
Don Jensen	Santa Fe Springs
Charlie Honeycutt	Signal Hill
Bill DeWitt	South Gate
Ralph Webb (alt for Joseph Serrano)	Southeast Water Coalition
Scott Rigg (alt for Kevin Wilson)	Vernon
David Pelser	Whittier

STAFF AND GUESTS PRESENT:

Annette Hubbell	Executive Officer
Abi Aderonmu	Department of Water Resources
Debra Mann	Metropolitan Water District of Southern California
Greg Jaquez	Los Angeles County Flood Control / Greater LA IRWM
Alex Kenefick	Los Angeles and San Gabriel Rivers Watershed Council
Bernardo Iniguez	Bellflower
Mohammad Mostahkami	South Gate
Bill Pagett	Willdan Engineering

PUBLIC PRESENT:

none

ITEM 3 - ADDITIONS TO THE AGENDA

There were none.

ITEM 4 – ORAL COMMUNICATIONS TO THE BOARD

Mr. Greg Jaquez, County Flood Control District, spoke on behalf of the Greater LA County (GLAC) IRWM Leadership group, saying that there would be a leadership meeting on June 23 at the County Public Works Department, in preparation for project selection. A meeting of the GLAC Lower San Gabriel subregion meeting had been recently held, and another was scheduled for June 16 at the Central Basin Municipal Water District.

ITEM 5 – CONSENT CALENDAR

Director Al Cablay motioned to approve the minutes from May 13, 2010. Vice Chair Adriana Figueroa seconded, and the motion was passed unanimously, noting the abstention of Director Ralph Webb due to his absence from that meeting.

ITEM 6 – PRESENTATION BY DEBRA MANN, METROPOLITAN WATER DISTRICT

Chair Cash introduced Ms. Debra Mann, Assistant General Manager and Chief Operating Officer of the Metropolitan Water District (MWD). Ms. Mann commended the Gateway Authority for embarking upon the IRWM process, and stated that she was present to discuss a proposed MWD groundwater replenishment feasibility study and the potential for collaboration with the Gateway Authority. She presented a powerpoint presentation which included slides regarding the water levels at Oroville, San Luis, Diamond Valley, and Lake Mead reservoirs and noted that there were several drivers for the use of purified water, including drought, limited State Water Project deliveries, diminished storage reserves, population growth, climate change, and legislative proposals limiting discharge of treated wastewater to the ocean. Ms. Mann suggested that groundwater storage could aid in compliance with “20x2020” [staff note: 20x2020 is the State legislature’s mandate to achieve a 20% reduction in water consumption by 2020]. She noted that normal imported water deliveries will likely be available only 3 years out of every 10. It was suggested that 200 mgd of recycled water could be used for replenishment and basin water quality requirements, and that the study would support the Los Angeles Recycled Water Master Plan and the Water Replenishment District’s GRIP project. Ms. Mann said that MWD was not trying to get into the ground water management business; that MWD’s study is considering the building of treatment plants and advanced treatment plants only, and that recipient agencies would decide how the water is actually used. It was also stated that an advanced treatment would yield, essentially, distilled water, and that MWD would work with the State Health Department to verify purity and cleanliness. The feasibility study would address water needs, regulatory compliance, technical feasibility, coordination with other projects, public outreach, financial planning, and implementation plans. It was also mentioned that the Los Angeles County Sanitation District had approached MWD regarding the possibility of treatment.

Director Bill DeWitt noted that he is on the Sanitation District’s committee and that it has a capacity greater than 50,000 gpd. He asked what MWD’s cost would be to provide additional treatment, and was told that it was estimated at \$800/acre-foot, but that the infrastructure would be very expensive. Director DeWitt followed up, asking whether the water would be available to everyone or just to the Basins. That has yet to be decided.

It was noted that the Los Angeles County Flood Control District and WRD’s GRIP economic analysis focused on comparing treatment costs to the estimated future costs of water supply, not the present-day costs of water.

Ms. Mann said that energy costs must be considered. Director Kevin Wattier noted that it currently takes roughly 3,000 kilowatt hours (kWh) to pump water over the Tehachapi Mountains.

Director David Pelser asked whether the Sanitation District would be sharing the project costs, which are estimated at \$1-2 billion. Ms. Mann stated that it was unknown at this time.

Ms. Mann noted that it would be important for any treatment feasibility study to consider the timing and volume needs for replenishment water.

Director Cablay suggested arranging a roundtable discussion on the topic.

ITEM 7 – STATUS ON ARRA-FUNDED CATCH BASIN PROJECT

Executive Officer Hubbell and Bill Pagett, Senior Vice-President for Willdan Engineering, presented a comprehensive report on the status of the Catch Basin Project. Extensive discussion by the Board Members resulted in several actions directed to staff and Willdan Engineering. Because one of the actions taken was to approve the content of the Board Memorandum, it is attached as an addendum to these minutes.

Discussion regarding the project included questions regarding the cost of additional automatic retractable screen (ARS) units, strategies for effectively managing the construction contract, and a budget for completion. It was noted that the County is receiving a nearly \$4,000,000 benefit because over 7,700 County catch basins will be retrofitted. Mr. Pagett discussed the additional work and costs incurred due to changes with the County permit. The Board discussed the nature of the conditions, which involved location photographs and measurement gauges at each of the county-owned catch basins. Director Kevin Wattier moved to approve the content and intent of the Board Memorandum, including the authorization of additional work for \$129,500. The motion was seconded by Director Charlie Honeycutt and passed unanimously by a roll call vote of the board, as follows:

Central Basin MWD	Yes
Cerritos	Yes
Commerce	Yes
Downey	Yes
Lakewood	Yes
Long Beach	Yes
Long Beach Water Dept.	Yes
Norwalk	Yes
Paramount	Yes
Pico Rivera	Yes
Signal Hill	Yes
South Gate	Yes
Southeast Water Coalition	Yes
Vernon	Yes
Whittier	Yes

ITEM 8 –GATEWAY AUTHORITY FY 2010-11 BUDGET

Executive Officer Hubbell informed the board that this item was appearing again before the board because it the approval of a budget requires a super-majority of 12 members to be present. The vote from the May 2010 meeting was deemed an advisory vote because only 11 members were in attendance. Director Cablay motioned and Vice Chair Figueroa seconded to approve the FY 2010 budget. The motion was approved unanimously by a roll call vote as follows:

Central Basin MWD	Yes
Cerritos	Yes

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Commerce	Yes
Downey	Yes
Lakewood	Yes
Long Beach	Yes
Long Beach Water Dept.	Yes
Norwalk	Yes
Paramount	Yes
Pico Rivera	Yes
Santa Fe Springs	Yes
Signal Hill	Yes
South Gate	Yes
Southeast Water Coalition	Yes
Vernon	Yes
Whittier	Yes

ITEM 9 – EXECUTIVE OFFICER’S REPORT

a) Los Cerritos Channel Metals TMDL

Ms. Hubbell reported that the Los Cerritos Channel Metals TMDL Memorandum of Agreement, approved in substance by the Board at the May 2010 meeting, was undergoing final review by the Technical Committee with regard to the payment formula for the participating agencies.

b) Grant Opportunities

Mr. Abi Aderonmu, California Department of Water Resources, confirmed that the guidelines are scheduled to be released in late July or early August.

Ms. Hubbell reminded Directors that the board previously approved a contract with Bookman-Edmonston (GEI Consultants) to prepare a planning grant application. The consultant is already working on the application based upon the DWR’s draft funding guidelines.

Ms. Hubbell also informed the Board that she had been pursuing an energy audit opportunity discussed at the March 2010 board meeting, and had recently been informed that the CDBG (Community Development Block Grant) funding associated with this program was no longer available.

c) Legislation

It was noted that there had been no substantive change on the seven bills that the Gateway Authority currently has under watch.

ITEM 10 – DIRECTORS’ COMMENTS/REPORTS

Chair Cash announced that the City of Bellflower will be voting on a resolution to join the Gateway Authority and, if approved, a vote to accept Bellflower will be included on the July agenda. He noted that this vote would require a super-majority, and urged Directors to send their alternates or a proxy if they are unable to attend.

Executive Officer Hubbell advised Directors that the next meeting would be July 8, 2010, but that this meeting falls during the same week as the Independence Day holiday, and asked whether Directors would be able to attend. It was motioned by Director Cablay, seconded by Director DeWitt, and approved unanimously to change the date of the next regular meeting of the Gateway IRWM Authority Board of Directors to Thursday, July 15, 2010, at the regular meeting time and place (12 Noon at the Clearwater Building in Paramount).

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ITEM 11 – ADJOURNMENT

The meeting was adjourned at 1:20 pm to Thursday, July 15, 2010 at 12 Noon in the Clearwater Building at Paramount, CA.

Desi Alvarez, Secretary

Date

MEMORANDUM

Note: This memorandum has been revised to incorporate Board action taken on 6/10/10, and is included as an addendum to the meeting minutes.

TO: Gateway Authority Board of Directors

FROM: Annette Hubbell, Executive Officer
Bill Pagett, Senior Vice President, Willdan Engineering

DATE: June 10, 2010

SUBJECT: The Los Angeles Gateway Authority Catch Basin Project
Status Report and Recommendations

SUMMARY:

This report serves as a review of the project, status to date, and further recommendations to the Board. Information in this memo was also provided to the State Water Board and they concur that the project remains within the scope of the contract.

At last month's meeting the Board authorized the Executive Officer to make amendments to the project work in an amount not to exceed \$100,000. Because construction will not start until June 14 and because the amendments to the project total \$129,500 (\$154,000 for one item and a credit of \$25,000 for another), the Executive Officer decided it would be practical (and in the interest of transparency) to present a detailed report.

Construction will begin on June 14, 2010 in the city of Long Beach. A Revised Notice to Proceed will be issued at the end of Thursday's meeting. With assistance from Willdan, the county and each city will issue a permit to the contractor before work begins in each city.

Currently there are 11,306 catch basin locations throughout 16 cities: Bell, Bell Gardens, Commerce, Compton, Cudahy, Downey, Huntington Park, Long Beach, Lynwood, Maywood, Montebello, Paramount, Rico Rivera, Signal Hill, South Gate, and Vernon.

Currently

DISCUSSION:

The original Notice to Proceed was issued on November 30, 2009 to Steve Bubalo Construction Co., Inc. (Contractor). Construction has been delayed for several reasons, most notably because of delays in the final permit process from Los Angeles County, i.e., items of work that were not included in the bid documents. This resulted in the Contractor requesting additional compensation for these extra items. Additional items of work stipulated in the L.A. County Permit include: 1) the painting of a "Staff Gauge" inside county-owned catch basins in which a connector pipe screen (CPS) unit is installed; and, 2) the taking of photographs inside and outside before and after the installations of the CPS and automatic retractable screen (ARS) units in the county-owned catch basins. (The County informed us that in the past they have bid projects with and without these requirements, but these are now standard requirements on all new permits.)

Another major delay has been in securing L.A. County approval of the ARS units. The Contractor submitted a design that changed the screen from the specified 12-gauge to 16-gauge because the original

12-gauge unit did not meet the County's operational requirements. The County has since approved the ARS units with the 16-gauge screen.

County Permit Requirements Initiating Additional Payment Requests by the Contractor

On October 13, 2009¹, Willdan filed applications with the County of Los Angeles for the proposed construction within the county-owned catch basins. The submittal included the locations for the proposed construction and the device that was proposed for each catch basin. Willdan Engineering received back from the County the first draft attachments to the permits on January 28, 2010. The permit required the painting of a "Staff Gauge" in each county-owned catch basin that contained a CPS unit and the taking of photographs inside and outside the catch basin, before and after the proposed construction is completed. The County provided details for the painted staff gauge and included a specific list of photographic requirements. Because the county permit conditions were not available prior to the bid opening, the Contractor is asking for extra compensation for this work.

ARS Units Credit

The Contractor made submittals to the Authority and the County that did not comply with the project specifications. After a detailed review of the ARS system by the County, it has been determined that a 12-gauge face screen would not allow the screen to function. After modification to strengthen the face screen, the County approved a 16-gauge face screen. To adjust the bid price for the reduction in metal gauge, Willdan is negotiating with the Contractor to provide a credit of approximately \$25,000 to the Gateway Authority based on the bid amount of 1,822 ARS units. Because this is an amendment that does not involve an increase in funds, the Executive Officer can make this change without Board approval.

Photographs

At its May meeting the Board was informed that the County permit required 4 photographs of each of the 7,700 catch basins. The Contractor analyzed the work required for the photographs as required by the County Permit. The Contractor's original proposal was for \$60.37 per catch basin (\$464,849 for 7,700 catch basins) to provide the before and after photos (including all documentation and recordkeeping). After discussion between staff and Willdan, it was decided to require the Contractor to provide only one photo and that Willdan would provide the balance of the photos. The Contractor requested \$17.95 per basin for an additional \$138,215 (based on 7,700 county catch basins). Meetings with the County subsequently ensued and the County agreed to remove this provision. This cost, therefore, has been eliminated.

Painted Staff Gauges

The Board was also informed in May that the County permit required staff gauges painted in each of the 7,700 county-owned catch basins. The Contractor analyzed the work as described in the County Permit attachments for the staff gauge and presented a breakdown of the costs associated with the work. The Contractor requested \$54.32 per catch basin for an additional \$418,264 (based on 7,700 County-owned catch basins). Willdan has held several meetings with the Contractor to refine the scope and cost of the work. The Contractor reduced the cost to \$39.16 per catch basin for a change request of \$301,532. The staff gauge will not be installed on city-owned catch basins unless directed to do so. (Based on conversations with about half of the cities, it is highly unlikely that any will make this request, but Directors may want to be prepared to address this issue should it be raised.)

¹ The Gateway Authority Board approved the bid documents on October 8, 2009. Willdan began advertising on October 12, 2009 and the bids were opened on November 3. The contract with the State for the ARRA funds required a Notice to Proceed by November 30, 2009. Under normal circumstances the permit requirements would be understood before a Notice to *Advertise* is issued; however, because of State-established timeframes, this was not possible.

During these same meetings, and then in subsequent meetings with the Contractor, the County decided to modify the requirements of the staff gauge. (The staff gauge will now be painted with the white background and the two lines representing the 40% and 100% capacity of the CPS units.) The price should be reduced to approximately \$20.00 per unit, for a total of \$154,000 rather than the \$301,532 as previously stated.

Additional ARS Units and CPS Units

Because the winning bid was lower than the engineer's estimate, at its January 2010 meeting the Gateway Authority Board authorized additional ARS units to be installed from remaining funds, determining that the additional units, approximately 2,932 units at an average cost of \$950.00 per unit are to be divided evenly among all participating cities (except in the cities where there are fewer catch basins than available funding).

The Authority took action to authorize the addition of approximately 450 CPS units to address additional catch basins identified by the cities of Huntington Park and Montebello, thereby fulfilling the Trash TMDL in the Gateway Cities tributary to the Los Angeles River.

Construction Management Services

An additional item that must be addressed is the Construction Management Services. When originally conceived, the project involved 4,000 catch basins and 120 working days. As the design progressed the scope of the project was changed to satisfy the Trash TMDL. The project that was bid involved 10,856 catch basins and the working days increased to 280. In addition, due to the bids received and the desire to install ARS screens in high trash areas, the Gateway Authority proposed to add approximately 3,245 ARS and 450 CPS units (as discussed previously).

At this time it is difficult for Willdan to provide an estimate of the additional Construction Management Services costs, since it depends in part on how expedient the Contractor is in installing all of the additional ARS units. (Please note that the Contractor may also ask for additional working days for construction.)

Catch Basin Improvement Summary

Project Bid Quantities	Units	Price	Extension
CPS	10,586	\$309	\$3,271,074
ARS* 1,822		\$950 **	\$1,730,900
Subtotal			\$5,001,974
Items added by Board:			
CPS (Huntington Park & Montebello)	450	\$309	\$ 139,050
ARS * 2,932		\$950 **	\$2,785,466
Subtotal			\$2,924,516
Grand Total	11,036		\$7,926,490

*ARS quantities are in the CPS locations and do not change the total number of locations.

** The price shown for the ARS units is a weighted average cost based on the bids listed in the Bid Schedule.

Note: County-Owned Catch Basins included in the Project:

	Units	Price	Extension
CPS	7,700	\$309	\$2,379,300
ARS	1,503	\$950**	\$1,427,850
Subtotal			\$3,807,150

Summary of the Project Cost and Reserves:

• Preparation of Plans and Specifications (\$396,000 + \$110,000)	\$	506,000
• Construction Management Services	\$	449,890
• Construction Contract	\$	4,990,594
• ARS Units Credit	\$	(25,000)
• Staff Gauges	\$	154,000
• Additional ARS Units (2,932)	\$	2,785,466
• Additional CPS Units (450)	\$	139,050
• Funds available for additional ARS devices, Construction Management Services, if necessary, and any additional work related to the project	\$	1,000,000
TOTAL	\$	10,000,000

BOARD ACTIONS:

- Approve in substance the content of this Board Memorandum
- Approve additional funds necessary to increase the quantity of ARS units in high-traffic areas such that the project still remains within the parameters of grant funds received
- Authorize the Executive Officer to execute work plan amendments:
 - \$154,000 to satisfy the LA County permit requirements with respect to the painting of staff gauges
 - For any amount which does not exceed 5% of the total amount of the project. The total of all amendments from this point forward shall not exceed 5%, and at no time shall the total project cost exceed \$10,000,000 without express Board approval.
- Direct the Executive Officer to seek written consensus from the remaining 15 cities regarding approval of permit requirements.