Water Resources Committee **11b**
Summary Notes, August 12, 2014 Meeting

Directors Present: John Greci, Bill Stevens, Jim McGrail
Staff Present: J. Duerig, K. Arends, R. Alzona, A. Watson

The meeting was called to order at 4:02 by Director Greci.

1. **Public Comment on Items Not on the Agenda**
   None.

2. **Progressive Design-Build Delivery Approach and Status of Drought Emergency Projects**
   Staff gave a combined presentation on the two agenda items (2 and 3) and answered questions from the committee.

   Summary of Presentation
   Staff summarized how the traditional design-bid-build process works, how the progressive design build (PDB) process works, advantages and disadvantages of each, and why the progressive design build was selected for the emergency drought projects. The advantages of the PDB approach for the drought projects were 1) not to be constrained by the time otherwise needed for detailed preparation of design and specifications, bidding and awarding a contract, 2) ability to select a qualified design-builder rather than have a low bid contractor, 3) get a design-builder on board early in the project to get all perspectives on the project to develop a basis of design, assess project risks, and negotiate costs everyone agrees upon, leading to less chance for change orders or poor design or inadequate construction.

   Staff then provided an update on the three drought emergency projects:

   Cope Lake – Lake I Pipeline Project
   This project constructed a pipeline to transfer water from mining operations stored in Cope Lake to Lake I to recharge the groundwater basin. The project was completed ahead of schedule and on budget for $1.4 million.

   Chain of Lakes Well No. 5 (COL5)
   This project provides an estimated increase in well capacity of ~1 to 2 MGD. The facility is modeled after Chain of Lakes Well No. 2 and connects to the Chain of Lakes Well No. 1 for chemical addition. COL 2 costs provided the basis for the COL 5 cost allowances. Increased costs for well drilling due to current market conditions exceeded the well drilling cost allowance by more than 50%. The design/build contract allows for an adjustment to the cost allowance if there is a more than a 25% change in cost. As these costs could not have been foreseen when the original estimated cost was developed, a $235,000 increase to the $3.5 million design/build contract with Conco West, Inc., is warranted.

   The project is currently under construction. At the next Board meeting, staff will be requesting 1) approval of a contract amendment to the Conco West, Inc. design/build

contract for $235,000 to cover the increased costs due to higher-than-expected well drilling costs; and 2) appropriation of funds from reserves to cover the contract amendment and other costs not considered during the original Board approval of the project on January 29, 2014. These costs include PG&E contract, estimated costs of property acquisition, additional staff costs and project management costs. The total appropriation request is $615,000, which includes the $235,000 contract amendment.

Busch Valley Well No. 1
This overall project is planned to be a new water production well (~2-3 MGD) with an on-site chemical facility. Zone 7 is currently in Phase 1 of the project which includes development of a Basis of Design Report for the entire facility along with plans and specifications for bidding the well drilling portion of the work. The report and subsequent drilling bids will enable a thorough assessment of risks and costs associated with the project. Zone 7 is not currently under contract for Phase 2 of the project, which includes final design, construction, and commissioning. The results of the well drilling bids will determine whether it is appropriate to move forward with the project at this time or not. Staff noted that they expect high bids and a recommendation for deferral which is why Phase 2 is not in the current budget.

Committee Comments and Questions

PDB approach for other projects
Director Stevens asked if the progressive design build process is for the emergency drought projects only or if it would be used on other projects. Staff responded that it would need to be addressed on a case-by-case basis. The PDB process made sense for the drought projects due to the schedule constraints to install the new facilities. Director McGrail asked whether or not staff liked the process and the response was affirmative. Director Stevens said the key is to check and confirm designs are adequate before building.

Pump selection before pump tests
Director Greci asked how the design builder was able to order the well pump (for COL5) prior to having completed pump tests. Staff responded that it used existing nearby well data, system pressures, specific yield estimates based on well logs and current/expected static water levels to determine which pump would be most appropriate. Additionally, a variable frequency drive (VFD) would be installed to make adjustments in case the estimates are off.

Design Build contract costs and overall project costs
Director Stevens inquired about the reason for the detailed cost breakdown being shown (for COL5) in the presentation. Staff responded that Board members and the Finance Committee requested more costs to be shown than simply the construction contract costs.

3. Verbal Comments

Director Greci said that he would like to better understand how planning agencies approve new development during a drought.

Director Greci adjourned the meeting at 4:53 p.m.