

Staff Report

Regular Board Meeting

TO: Governing Board Members

FROM: General Manager/CEO

SUBJECT: Consider Approval of a Design-Build Contract Amendment and Associated Support Services Contract Amendments for Additional Sewer Lateral Construction and an Additional Membrane Bio-Reactor Train at the Sterling Natural Resource Center

RECOMMENDATION

That the Board of Directors authorize the General Manager/CEO to:

1. Execute Amendment No. 13 and 14 to the design-build contract with Balfour Beatty for design-build services for additional sewer lateral construction and an additional Membrane Bio-Reactor (MBR) train (Train 5) for an amount not to exceed \$8,847,599, plus a 10% contingency.
2. Execute an amendment to the materials testing and specialty inspection contract with Group Delta for additional services for MBR Train 5 for an amount not to exceed \$83,403.
3. Execute an amendment to the program management services contract with AKD Consulting for additional services for MBR Train 5 for an amount not to exceed \$360,000.
4. Execute an amendment to the permitting services contract with Rincon Consultants for additional services for MBR Train 5 for an amount not to exceed \$10,000.

BACKGROUND / ANALYSIS

Balfour Beatty was contracted by the District in 2018 to construct the Sterling Natural Resource Center (SNRC) Project. The Project consisted of several components both on-site and off-site. The contract was amended 12 times over the past six years to accommodate District added scope and unforeseen items not included in the original contract. Two additional contract amendments are proposed to accommodate changes in scope of work to Balfour Beatty. In addition, support services will be required from the District's consultants for the additional work.

Off-site Gravity Sewer Lateral Relocations

During the construction of the gravity sewer that conveys wastewater to the SNRC, it became evident that 13 existing sewer laterals in Base Line Road were not documented in the District's record drawings and not provided to Balfour Beatty when contracting the project. Consequently, Balfour Beatty's scope for the new gravity sewer did not include the construction of these 13 sewer laterals on the new gravity sewer to serve

existing District customers. The work was authorized by the District to be performed on a time and materials basis in order to expedite the sewer transitioning in early 2024. Actual costs have been verified and the resulting amount for the additional sewer lateral work is \$639,763. The additional work is recommended as Amendment No. 13 of the original contract.

MBR Train No. 5

On September 25, 2024, an informational item was presented to the Board that detailed some of the operational challenges that result from membrane filter fouling having a larger impact than anticipated on managing the flow of water through the SNRC. With the average flow of wastewater into the SNRC (6.3 million gallons per day (mgd)) being greater than the planned flow (6.0 mgd) and the membrane fouling being greater than expected, more frequent cleaning of the membranes is required. This increases the likelihood of having to store raw wastewater in the on-site storage basin, which is not desirable due to odors. In addition, recovering from abnormal events like power outages and occasional equipment failures is more difficult when membrane filter capacity is limited.

The operational challenges described above can be overcome by adding a fifth MBR train. The MBR system was built with space for a fifth train. The Balfour Beatty design-build team is uniquely qualified to construct the additional MBR facility due to their knowledge of the SNRC. All work must be done without disrupting operations of the SNRC. District staff has negotiated a scope of work not to exceed \$8,207,836 and recommends Amendment No. 14 to the original contract.

Support Contracts

To support the MBR Train 5 effort, it is also recommended to authorize an amendment with Group Delta for testing and inspection services for \$83,403, an amendment with AKD Consulting for program management services for \$360,000, and an amendment with Rincon Consultants for permitting services for \$10,000. The support services are needed to provide soil compaction, material testing, and inspection services during construction. Program management services are needed to support District staff in coordinating the design engineering, construction, start-up, and administration activities. Also, permitting services are needed to coordinate and develop updates to various reports and documents required by the water quality regulations.

The additional work for MBR Train No. 5 will include procurement of long-lead items in addition to significant construction inside the SNRC plant. If authorized, the work will begin in January 2025 and be completed in late 2026. SNRC operators will be adjusting their normal operation during construction to ensure plant operations and maintenance are not negatively impacted.

AGENCY GOALS AND OBJECTIVES

IV - Promote Planning, Maintenance and Preservation of District Resources

A. Develop Projects and Programs to Ensure Safe and Reliable Services

REVIEW BY OTHERS

This agenda item has been reviewed by Administration.

FISCAL IMPACT

The proposed contract amendments total \$9,301,002, plus a 10% construction contingency for the Balfour Beatty Amendment No. 14. The contract amendments are not budgeted and will be added to the mid-year budget accordingly. Funding for the additional work will come from a combination of Reclamation Fund capacity fee reserves and revenue from previous grants to be received in 2025.

Recommended by:



Michael Moore
General Manager/CEO

Respectfully submitted:



Jeff Noelte
Director of Engineering and Operations

ATTACHMENTS

Exhibit A – Additional Sewer Lateral documentation

Exhibit B – MBR Train 5 design-build proposal

Exhibit C – MBR Train 5 testing and inspection proposal

Exhibit D – MBR Train 5 program management proposal

Exhibit E – MBR Train 5 permitting services proposal