



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Administrator

SUBJECT: Commerce Water System CIP Improvements for Station 5, Pacific Drive Water Main and Well 3E Destruction and Resolution Authorizing Improvements and a Supplemental Appropriation

MEETING DATE: October 18, 2016

RECOMMENDATION:

Approve a resolution authorizing:

1. Emergency short term repair and long term replacement of a panel board at Station 5 by California Water Company;
2. Replacement of the commercial water main line on Pacific Drive between Watcher Street and Gage Avenue;
3. Water Board ordered destruction of inactive Well 3E; and
4. A supplemental appropriation of \$765,000 from the Water Utility Fund RDA loan repayment funds.

ANALYSIS:

On December 15, 2015, staff presented to the Commerce City Council a newly developed Capital Improvement Program (CIP) for the Commerce Water System. Updates to the Water System CIP will be presented to Council annually as part of the budget process for future project authorization and funding. As reported previously, the Commerce Water System historically has not operated under an established CIP and scheduled maintenance program. Instead, only the most necessary repairs were made as needed which, if completed due to an emergency resulted in higher costs. As a result, the system is in dire need of a complete overhaul in order to continue providing water service to its users and meet water quality standards.

As a result of the aforementioned prior presentation, Council approved Cal Water to do the following:

1. Develop a proposal to design and permit a new well to replace Station 4's well. An award of a new well agreement is forthcoming. Installation not funded;
2. Replace two pumps and motors at Station 4 and 7; and

3. Replace up to 2% or 1,000 linear feet of distribution pipe every two years; and a
4. \$450,000 in funding for design and permitting of a new well (\$300,000) and the two pumps and motors (\$150,000) from the Water Utility Fund Reserves in FY 2015/16. *Pipe replacement and well installation is not funded at this time.*

Staff planned on returning to Council with funding option details for year two costs and beyond during the next budget process. Next year's costs were to include replacement of Station 5's panel board and \$700,000 worth of distribution pipeline. However, there are three items that need Council consideration at this time. They are:

1. Emergency short term repair and long term replacement of a panel board at Station 5 by California Water Company;
2. Replacement of the commercial water main line on Pacific Drive between Watcher Street and Gage Avenue;
3. Water Board ordered destruction of inactive Well 3E.

Station 5 Panel Board Emergency Replacement

On August 29, 2016, Cal Water notified staff of Station 5's panel board failure. The panel board controls three water pumps, A, B, and C. It may have resulted from an Edison power surge that the panel board is not equipped to protect against due to age of the equipment. It is twenty two years past its useful life and replacement. The result is permanent damage to the panel board and inability to pump out and access 2 million gallons of drinking water. This panel board was included in the Commerce Water System CIP that was presented to Council previously and scheduled for replacement next year due to other higher priorities.

At this time, staff needs to proceed with a temporary emergency repair to at least bring pump B, the primary booster into a limited capacity to access water at a cost not to exceed \$10,000. These are custom built pumps. The longer term permanent replacement requires Cal Water to develop an electrical engineering plan and bid it out to vendors. This entire replacement process could require up to 10 months and cost approximately \$300,000.

Pacific Drive Water Main Replacement

Pacific Drive has experienced eight emergency residential water line segment replacements since 2012. These typically occur after regular work hours at higher costs and require water service to be shut off for 3-4 hours to complete the repair. Residents receive 48 hours notice of a planned water shut off for non-emergency repairs. Emergency repairs however must occur immediately with little advance notice to impacted users.

As previously reported, there are approximately 27 miles of pipelines in the Commerce Water System with pipe diameter ranging between 6" and 14". The pipeline age is estimated at 65 years old and typically last between 75 to 100 years. However, many factors affect the pipeline lifespan such as materials used, installation practices, and operating pressure.

At this time due to the number of emergency repairs, Pacific Drive's 8" main pipeline between Watcher Street and Gage Avenue should be replaced, approximately 1,150 linear feet at an approximate cost of \$361,000. The process includes installing the entire main

first without any impact to water service. The line is then pressure tested with a backflow device for leaks. Water samples are collected and tested for meeting State of California water quality standards. When the lateral connections are made to connect the new main line to each house's line, 48 hours advance notice is given to the occupants that their water will be off for approximately 6 hours for 1-2 days usually during daytime when most occupants are at work. Occupants do not all lose water service at the same time, it's staggered to minimize the impact as much as possible.

Well 3E Destruction – Garfield Avenue

The State Water Resources Control Board conducts a Sanitary Survey and site visit every three years of water systems. They conducted one in 2012 and again in 2015. The results of the site visit were reported to Cal Water in the enclosed letter dated May 26, 2016. In general, the system operations and maintenance is satisfactory to the Water Board. However, one of the "deficiencies that need to be addressed" includes destruction of Well 3E. The Water Board required that it be made inactive approximately 20 years ago due to high manganese levels that require treatment and no sanitary seal to meet water quality standards. Manganese is a metal which is often used in the manufacturing of stainless steels. It is not treatable due to needing to install costly treatment facilities or in any condition to operate due to having been inactive for this length of time. The well would need extensive rehabilitation and the investment is not recommended due to the age of the well which was installed in 1948. Any new well drilled at this site would require treatment facilities.

The Water Board has repeatedly requested that the well be destroyed as soon as possible. Since this request was noted in two Sanitary Surveys, it is best that the City destroy the well. The destruction process includes securing state and local permits for the removal of all pumping equipment, above ground piping, tank, shed, and pad. The entire project timeline is approximately 3-4 months at an approximate cost of \$104,000.

ALTERNATIVES:

1. Approve staff recommendation
2. Disapprove staff recommendation
3. Provide further direction to staff

FISCAL IMPACT:

The recommendations result in a current fiscal year impact of **\$765,000**. As part of the Fiscal Year 2016/17 budget process the City Council approved a **\$1,000,000** allocation from RDA loan repayment funds to the Water Utility Fund. Staff is recommending that the aforementioned emergency items, namely Station 5's panel board (**\$300,000** – originally adopted amount reallocated from Fiscal Year 2017/18 to current fiscal year), Pacific Place Pipeline Replacement (**\$361,000** – this amount is being reallocated from originally adopted amount of \$700,000 in Fiscal Year 2017/18 to current fiscal year, Well 3E Destruction (**\$104,000** – new appropriation for current fiscal year). If the City Council approves the funding recommendation the remaining balance of the Water Utility Fund loan repayment amount will be **\$235,000**.

RELATIONSHIP TO STRATEGIC GOALS:

This item is related to a specific 2016 Strategic Goal under Infrastructure and Facilities Guiding Principle 2 to “develop and implement a sustainable Capital Improvement Program to ensure the quality of the existing infrastructure and to support future plans for the City.”

Approved by: Maryam Babaki, Director of Public Works and Development Services

Prepared by: Gina Nila, Deputy Director of Public Works Operations

Reviewed by: Vilko Domic, Finance Director

Approved as to form: Eduardo Olivo, City Attorney

Respectfully submitted: Jorge Rifá, City Administrator

ATTACHMENTS:

1. Resolution
2. California State Water Resources Control Board letter dated May 26, 2016.