



DATE: October 26, 2011

TO: Honorable Mayor and City Councilmembers

FROM: Water Utilities Department

SUBJECT: **APPROVAL OF A PURCHASE ORDER IN THE AMOUNT OF \$180,481.25 FOR THE GRANULAR ACTIVATED CARBON SYSTEM FOR TRICHLOROPROPANE REMOVAL AT THE MISSION BASIN GROUNDWATER PURIFICATION FACILITY**

SYNOPSIS

Staff and the Utilities Commission recommend that the City Council approve a purchase order in the amount of \$180,481.25 with Siemens Water Technologies Corporation of La Mirada for the end-of-lease buy-out of the Granular Activated Carbon System for Trichloropropane Removal at the Mission Basin Groundwater Purification Facility.

BACKGROUND

California Department of Health Services regulations required monitoring for Trichloropropane (TCP) in 2003 as part of the California Unregulated Contaminant Rule. TCP was first detected in early 2003 in wells 1, 2, 3, and 9 which are located at the Mission Basin Groundwater Purification Facility. It is also expected to be present in two additional wells, Wells 10 & 11 near the intersection of Mission Avenue and Fousat Road. Wells 4 and 5, which are located on the north side of the San Luis Rey River near College Boulevard, have had no TCP detected.

TCP was formulated with dichloropropanes in the manufacture of a soil fumigant, D-D. Historically, the Mission Basin was a major agricultural area for tomatoes, corn and strawberries, and it is thought the application of these soil fumigants was the source of the contaminant. TCP is also used as a solvent and extractive agent. As a solvent, it has commonly been used as a paint and varnish remover, a cleaning and degreasing agent and a cleaning and maintenance solvent.

The use of all wells with TCP was discontinued in 2003 while staff researched methods to remove TCP. During this period there was no threat to public safety.

In response, the City hired McGuire Malcolm Pirnie Environmental Consultants, Inc., (McGuire) who in 2001, conducted a pilot study at the Mission Basin Groundwater Purification Facility. That resulted in identifying Granular Activated Carbon (GAC) as the treatment technology to remove TCP from the source wells. The GAC treatment

was determined to be the most cost-effective treatment option and that treatment, as opposed to abandoning the wells and finding alternative water sources, is the only feasible solution to the TCP problem under the circumstances.

ANALYSIS

The Mission Basin Groundwater Purification Facility must produce 6.3 MGD to comply with the City's groundwater recovery agreement with the Metropolitan Water District. All of these wells are essential for keeping the plant in operation while other wells are undergoing maintenance and repair. It is also important to have the plant produce as much potable water as possible because the City saves money by having this local resource.

TCP still exists in the source wells and does not appear to be decreasing. The Granular Activated Carbon System provided by Siemens Water Technologies is performing as anticipated for the removal of TCP in compliance with the California Department of Public Health (CDPH (formerly CDHS)) requirements. Staff recommends that the City exercise its option to purchase the equipment for the pre-negotiated buy-out price of \$180,481.25.

FISCAL IMPACT

Since October of 2008, the city has been making payments on leasing the GAC treatment system from Siemens Water Technology Corporation. The final payment was made in late September of 2011. Per the lease agreement terms, the City has the option of purchasing the equipment at a price of \$180,481 or requesting that Siemens disassemble and remove the system at a price of \$92,277.

The City sued certain parties responsible for the TCP contamination and was settled in December, 2010, with the City receiving the net amount of \$1,626,343.98. These funds were placed in the Water Expansion Fund. The other parties to the settlement were:

Dow Chemical Company
Dow AgroSciences, LLC
Shell Oil Company
Tri-Cal, Inc.
Agri-Chemical & Supply
Chevron, U.S.A., Inc.
PureGro Company

The Mission Basin Groundwater Purification Facility Expansion Project (908742500710.5703.10700) has an approximate balance of \$1,317,568. Therefore, sufficient funds are available for the Siemens Purchase Order.

COMMISSION OR COMMITTEE REPORT

The Utilities Commission approved staff's recommendation at its regularly scheduled meeting on October 18, 2011.

CITY ATTORNEY'S ANALYSIS

Purchases must comply with bid requirements set forth in Chapter 28A of the City Code. Professional services agreements must be reviewed by the City Attorney and approved as to form.

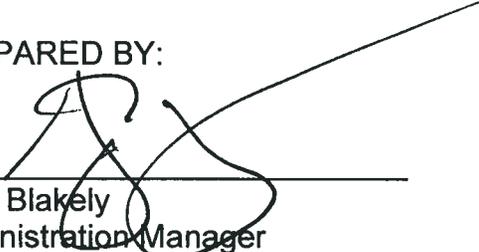
INSURANCE REQUIREMENTS

Does not apply.

RECOMMENDATIONS

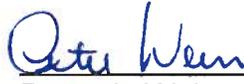
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Exhibit A - Site Map

GAC SYSTEM

