

Agenda Report

April 2, 2012

TO: Honorable Mayor and City Council

THROUGH: Finance Committee (April 2, 2012)

FROM: Water and Power Department

SUBJECT: **AUTHORIZATION TO REDUCE APPROPRIATION OF CAPITAL IMPROVEMENT PROGRAM FUNDS FROM MISCELLANEOUS WATER SYSTEM IMPROVEMENT (1006) PROJECT AND RECYCLED WATER (1013) PROJECT AND INCREASE APPROPRIATION OF FUNDS TO CONVERT CHLORINATION STATIONS TO CHLORAMINES (1031) PROJECT**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the reappropriation of funds from Miscellaneous Water System Improvement (1006) project and Recycled Water (1013) project to Convert Chlorination Stations to Chloramines (1031) project is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3) (General Rule); and
2. Reduce appropriation by \$100,000 from the Miscellaneous Water System Improvement (1006) project and \$250,000 from the Recycled Water (1013) project; and
3. Increase appropriation by \$350,000 to the Convert Chlorination Stations to Chloramines (1031) project.

BACKGROUND:

Pasadena Water and Power (PWP) is required to disinfect the water from the new Monk Hill Treatment Plant (treatment plant) which removes perchlorates and Volatile Organic Compounds (VOCs) from the groundwater before it is put into the water system at the Windsor Reservoir site and distributed to customers. PWP is in the process of replacing the chlorination facility at the Windsor Reservoir site with a permanent chloramination facility to disinfect the treated water coming from the treatment plant. The chloramination facility is funded as part of the Water capital improvement program (CIP) and is separate from the treatment plant, which was funded by NASA/JPL. The chloramination project is scheduled for completion by June 2012.

To ensure that the treatment plant came online in a timely manner, PWP has been disinfecting the treated water from the new plant using a chlorination facility under a temporary certificate of occupancy issued by the Pasadena Fire Department. The timeline for completing the chloramination facility project did not align with the treatment plant for a variety of reasons. First, the chloramination facility is part of an overall strategy to convert all existing chlorination stations within the system to chloramination stations and it involved highly sensitive health and safety processes. Second, the new 2010 Fire Code and its amendments, which the City adopted after the chloramination facility was designed, required specific modifications to the chloramination facility design and significant changes to the special chemical handling systems for health and safety reasons.

The request for additional appropriations to this project is to cover the costs of redesign of the chloramination facility to comply with the newly adopted Fire Code, changes to the interior of the building, installation of new equipment and upgrades to support the ammonia and chlorine systems, upgrades to the SCADA system, modifications to the safety programs, inspections, testing, preparation of Operation and Maintenance manuals, as-built drawings, construction management, and staff training.

The requested appropriation amendments will not have a negative impact to the other two projects. The Miscellaneous Water System Improvement project (1006) includes appropriations for the purchase of equipment and construction of minor facilities and sufficient funds will remain to cover planned activities. The work plan for the Recycled Water project (1013) continues to move forward and includes completion of the design and required environmental documents. Construction on this project is not expected to begin in fiscal year 2012. The appropriation remaining after the recommended amendments will be sufficient for the work to be performed.

COUNCIL POLICY CONSIDERATION:

The project and actions address the City Council's goal to "Maintain fiscal responsibility and stability" and "Improve, maintain, and enhance public facilities and infrastructure". Also, the project has been found to be consistent with the General Plan.

ENVIRONMENTAL ANALYSIS:

The reappropriation of funds from Miscellaneous Water System Improvement (1006) project and Recycled Water (1013) project to Convert Chlorination Stations to Chloramines (1031) project has been determined to be exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3); the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

FISCAL IMPACT:

The cost of this action will be \$350,000. Funding for this action will be addressed by reducing the appropriation from the Miscellaneous Water System Improvement project (1006) by \$100,000 and reducing the appropriation from the Recycled Water project (1013) by \$250,000.

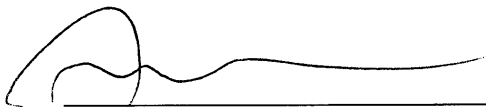
Work on the Miscellaneous Water System Improvement project (1006) includes the construction of miscellaneous projects and equipment purchases. Work on the Recycled Water project (1013) is focused on completing the design and coordinating the environmental documentation for Phase 1. Sufficient funds remain in both projects for the completion of FY 2012 scheduled work. It is anticipated that the entire \$350,000 will be spent on this project in the current fiscal year. This action does not result in any anticipated impact on other operational programs or capital projects.

Respectfully submitted,



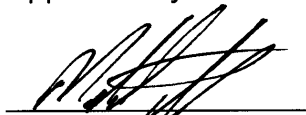
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