

City of Malibu

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October 30, 2015

Sent via Email to sunger@waterboards.ca.gov

Mr. Sam Unger, Executive Officer
California Regional Water Quality Control Board
Los Angeles Region
320 W. 4th Street, Suite 200
Los Angeles, CA 90013

RE: Memorandum of Understanding (MOU) Quarterly Progress Report
Malibu Civic Center Wastewater Treatment Plan

Dear Sam:

The following is the quarterly progress report for the Malibu Civic Center Wastewater Treatment Plan, which covers work activities performed on this project during the period between July 1, 2015 and September 30, 2015. To date, the City continues to make progress on all MOU Milestone requirements.

Below is a list of the work performed during the last quarter:

- On July 9, 2015, the City publically advertised for construction of the Civic Center Wastewater Treatment Facility – Phase 1 Project.
- On July 28, 2015, the City conducted a mandatory pre-bid meeting for construction of the Civic Center Wastewater Treatment Facility – Phase 1 Project.
- On August 27, 2015, the City publically opened bids for construction of the Civic Center Wastewater Treatment Facility – Phase 1 Project.
- On September 16, 2015, the Malibu City Council rejected all bids received for construction of the Civic Center Wastewater Treatment Facility – Phase 1 Project and directed staff to rebid the project as three separate projects.
- On July 13, 2015, the Malibu City Council awarded a professional services agreement to Rincon Consultants to perform the Groundwater/Surface Water Monitoring Programs for the Civic Center Wastewater Treatment Facility – Phase 1 Project.



- The City's water quality monitoring consultant, Rincon Consultants, continues to collect baseline background data for the project's Groundwater/Surface Water Monitoring Programs.
- On July 28, 2015, the City and the Los Angeles Regional Water Quality Control Board (RWQCB) staff conducted a California Environmental Quality Act (CEQA) Scoping Meeting for the Salt and Nutrient Management Plan.
- The City's design consultant, RMC Water and Environment, is preparing for submission a Substitute Environmental Document (SED) for the Salt and Nutrient Management Plan.
- Staff received final approval from the Los Angeles County Fire Department to modify the wastewater treatment plant site plan and landscaping plan to reflect plan review comments regarding the project's Final Fuel Modification Plans.
- Continue to work with State Water Resources Control Board (State Board) staff to prepare and submit a Clean Water State Revolving Fund (SRF) loan application consisting of the Technical, Environmental, and Financial Packages for the Malibu Civic Center Wastewater Treatment Facility project.
- Continue to work with Los Angeles County Waterworks District 29 to seek possible recycled water demand opportunities further west of the Civic Center Area of Malibu and process the necessary documents to finalize the SRF loan application.
- Continue to conduct regular monthly meetings with Stakeholders and Stakeholder groups to discuss the Civic Center Wastewater Treatment Facility Project.
- Continue with preparatory work necessary for the creation of the City of Malibu Civic Center Wastewater Treatment Facility – Phase 1 Assessment District (AD).

On July 9, 2015, the Civic Center Wastewater Treatment Facility –Phase 1 project was placed out for public bidding and on August 27, 2015 and the City received a total of three bid packages ranging in cost from \$38.4 million to \$51.5 million. Results from the bids received indicated that the low bid amount substantially exceeded the project engineers' cost estimate, and as a result, exceeds the available budgeted amount for the project. City staff met with the design consultant to review the current project and to re-evaluate bidding alternatives that will provide the same project at a reduced cost. It was recommended to separate the single bid documents into three distinct bid packages such as, the Treatment Plant, the Pipelines and Pump Stations, and the Injection Wells, which staff believes will allow for more bidders and competitive prices that will fall within the budgeted amount for this project. On September 16, 2015, the Malibu City Council rejected all previous bids and directed staff to rebid the project as three separate projects. On October 8, 2015, Malibu City Manager, Jim Thorsen, presented a complete status report update of the project to the RWQCB. On that same day, City Staff released three separate bid packages for the Civic Center Wastewater Treatment Facility – Phase 1 Project. After an eight-week public bidding period, bids are scheduled to be publically received and opened on December 3, 2015.

On July 13, 2015, Rincon Consultants were awarded a professional services agreement to perform the project's Groundwater and Surface Water Monitoring programs and was subsequently directed to proceed with collecting ground and surface water baseline background data for this project.

On July 28, 2015, City and RWQCB staff conducted a CEQA Scoping Meeting for the project's Salt and Nutrient Management Plan. As a follow-up to the scoping meeting, the City's design consultant, RMC Water and Environment, is preparing for submission a Substitute Environmental Document, or SED. During this reporting period, the City's design consultant also worked with the Los Angeles County Fire Department for final approval of the project's Final Fuel Modification Plan for the treatment plant project site.

The City's Assessment Engineering Consultant, David Taussig & Associates, continues to perform the required work necessary for the formation of the Civic Center Wastewater Treatment Facility Assessment District. On October 14, 2015, in order to accommodate the project rebidding, the Malibu City Council adopted Resolution No. 15-65 which reschedules the public hearing to January 25, 2016, at which time ballots will be tabulated at the public hearing at the Regular City Council Meeting to determine the establishment of an Assessment District. As you are aware, formation of an assessment district is critical, as it will provide the funding necessary to construct and operate the wastewater treatment facility. In the City's continued effort to seek other low cost sources of funding for construction of this project, City staff has directed the design and assessment engineering consultants to provide additional services associated with preparing and submitting loan applications and documents and other work necessary to be eligible to receive available low interest SRF loans.

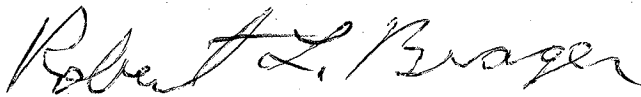
Finally, the City continues to hold monthly meetings with stakeholders and stakeholder groups regarding the Civic Center Wastewater Treatment Facility project. For several years, the City has met on a monthly basis with stakeholder groups comprised of commercial property owners, residential homeowners association (HOA) representatives, and other interested community members. The City also makes presentations to HOA organizations within the prohibition boundary area when requested. There appears to be continued support from the commercial property owners for the wastewater treatment plant moving forward. There is, however, much greater concern from residential property owners with regard to cost and overall impacts.

As you can see, the City is committed to working with the community and the State and Regional Water Boards in a diligent effort towards the design and completion of the wastewater treatment facility for the Civic Center area. The City also recognizes and appreciates the Regional Board's help and cooperation with revising the MOU Phase 1 and 2 completion dates. Although the City still faces a monumental task in completing this project within the Regional Board's and revised MOU completion dates, we are very proud of the work we have accomplished thus far, and are fully committed to cooperatively working with the State and Regional Board in making every effort to complete this highly complex wastewater project within the time allowed.



If you have any questions, or require additional clarification, please do not hesitate to contact me at (310) 456-2489, extension 247, or bbrager@malibucity.org.

Sincerely,



Robert L. Brager, PE, JD
Public Works Director/City Engineer

cc: Mayor Laura Rosenthal and Honorable Members of the Malibu City Council
Jim Thorsen, City Manager
Vic Peterson, Environmental Sustainability Director
Bonnie Blue, Planning Director
Craig George, Environmental Sustainability Manager / Deputy Building Official
Eric Wu, Ph.D., P.E., RWQCB
T. Don Tsai, Ph.D., RWQCB

