



Legislation Text

File #: 2019-269, Version: 1

Contract No. 1803705

Comprehensive Corrosion Control Optimization Study

O&M

Agenda of: July 24, 2019
Item No.: **2019-269**
Amount: \$6,931,618.82

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer
Great Lakes Water Authority

DATE: July 2, 2019

RE: **Contract No. 1803705**
Comprehensive Corrosion Control Optimization Study
Vendor: Arcadis of Michigan, LLC

MOTION

Upon recommendation of Cheryl Porter, Chief Operating Officer - Water and Field Services, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **enter into Contract No. 1803705 “Comprehensive Corrosion Control Optimization Study” with Arcadis of Michigan, LLC, at a cost not to exceed \$6,931,618.82 for a duration of five (5) years;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The State of Michigan Department of Environment, Great Lakes and Energy (EGLE) will be revising the administrative rules promulgated under the Michigan Safe Drinking Water Act, 1976 Public Act 399, as amended, for lead and copper. The revised rules will take effect on January 1, 2025. In addition, the U.S. Environmental Protection Agency (EPA) is expected to revise the federal Safe Drinking Water Act (SDWA) with respect to compliance with the federal Lead and Copper Rule (LCR). In response to the upcoming State of Michigan rule revisions and anticipated federal LCR revisions, GLWA will be conducting a Comprehensive Corrosion Control Optimization Study to prepare for future regulatory changes to state and federal rules surrounding lead and copper in drinking water.

The Comprehensive Corrosion Control Optimization Study will be conducted to identify an optimized treatment approach to minimize lead and copper concentrations at consumer taps while at the same time averting adverse secondary impacts that can occur when treatment changes are made. The consultant's scope of services will involve a review of current treatment practices and upcoming regulatory changes; design and implementation of the study; recommendations and preliminary design for full scale implementation; and evaluation of potential unintended consequences that could result from treatment changes. The study will involve the use of pipe loop apparatuses that will be used to test the effectiveness of different corrosion control treatments. One pipe loop apparatus will be set up at each of the water treatment plants and at critical points within the transmission system. The consultant will perform all sampling and analyses during the study.

JUSTIFICATION

GLWA's current corrosion control treatment was determined by a corrosion control study conducted in 1994 after the EPA enacted the Lead and Copper Rule (LCR) in 1991. Anticipated changes to the LCR at the federal level and upcoming changes to Michigan's LCR have prompted the need for GLWA to reassess corrosion control treatment.

FINANCIAL PLAN IMPACT

Summary: The proposed contract with Arcadis of Michigan LLC encompasses Operations & Maintenance expense only. The FY 2020 budget and five-year financial plan was based on the need for additional consulting services related to the lead and copper rule to minimize concentrations. The value of the contract exceeds the current financial plan in total. Potential positive variances of other contractual services as well as the use of this service may vary by year. The financial plan will be adjusted accordingly during the FY 2021 budget preparation to accommodate the proposed contract amount. Sufficient funds will be provided in the Operations & Maintenance (O&M) financial plan for this contract related to contractual professional services.

Funding Source: Operations & Maintenance (O&M) Budget

Cost Center(s):

- Water Works Park.....Water Operations cost center 882131
- Springwells WTP.....Water Operations cost center 882141
- Northeast WTP.....Water Operations cost center 882151
- Southwest WTP.....Water Operations cost center 882161
- Lake Huron WTP.....Water Operations cost center 882171

Expense Type(s): Contractual Professional Services (617903)

Estimated Cost by Year and Related Estimating Variance: See table below.

<u>Fiscal Year</u>	<u>Amount</u>
FY 2020 Budget	\$1,100,000
FY 2021 Financial Plan	1,100,000
FY 2022 Financial Plan	1,100,000
FY 2023 Financial Plan	1,100,000
FY 2024 Financial Plan	<u>1,100,000</u>
Financial Plan Forecast	\$5,500,000
Proposed Contract Amount	<u>\$6,931,619</u>
Variance (positive/ (negative))	(\$1,431,619)

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The award of this contract provides a negative variance of \$1,431,619 (\$5,500,000 financial plan forecast less \$6,931,619 proposed contract amount). Contractual services are dependent on several factors such as, delays in estimated start and end dates, environmental constraints, and other unforeseen circumstances that can cause the expenses to fluctuate from fiscal year to fiscal year.

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its Special Meeting on July 24, 2019. The Operations and Resources Committee unanimously recommended that the GLWA Board adopt the resolution as presented.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.