January 30, 2016

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 October 1, 2015 and December 31, 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 October 8, 2015, Malibu City Manager, Jim Thorsen, presented a complete status report update on the Malibu Civic Center Wastewater Treatment Facility - Phase 1 Project to the RWQCB.

- On October 8, 2015, the City publicly advertised for the construction of three separate construction contracts (Treatment Plant, Pipelines & Pump Stations, and Injection Wells) for the Civic Center Wastewater Treatment Facility – Phase 1 Project.

- On October 12, 2015, the Malibu City Council adopted a resolution that continued the project’s proposed City of Malibu Assessment District Public Hearing and Proceedings to January 25, 2016 and ordered changes to the project’s Assessment Engineer’s Report.

- On October 20, 2015, the City conducted a non-mandatory pre-bid meeting for construction of the project’s Treatment Plant contract.

- On October 21, 2015, the City conducted a non-mandatory pre-bid meeting for construction of the project’s Pipeline and Pump Stations and the Injection Wells contracts.

- On October 31, 2015, the City submitted the project’s 2015 third-quarter MOU progress report to the RWQCB.
On December 8, 2015, the City publically opened bids for the project’s three separate construction contracts.

On December 9, 2015, the City began its process of reviewing all bids received for the project’s three separate construction contracts.

On December 10, 2015, the City conducted the regular bi-monthly Malibu Civic Center Stakeholders meeting.

On December 11, 2015, the City sent out voting ballots to property owners within the proposed Assessment District for establishment of the Civic Center Wastewater Treatment Facility – Phase 1 Assessment District No. 2015-1.

The City’s water quality monitoring consultant, Rincon Consultants, continues to collect baseline background data for the project’s Groundwater/Surface Water Monitoring Programs.

Continued 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.

Continued 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.

Continued to conduct regular monthly meetings with Stakeholders and Stakeholder groups to discuss the Civic Center Wastewater Treatment Facility Project.

Continued with preparatory work necessary for the creation of the City of Malibu Civic Center Wastewater Treatment Facility – Phase 1 Assessment District (AD).

To recap from the last quarter, the project was first placed out for public bidding on July 9, 2015 as one complete project and three bids were received and publicly opened on August 27, 2015. In general, the bids exceeded the available budgeted amount for the project and on September 16, 2015 the Malibu City Council rejected all bids and directed staff to rebid the project as three separate projects in an effort to reduce the overall construction cost. On October 8, 2015, Malibu City Manager, Mr. Jim Thorsen, presented a complete status report update of the project to the RWQCB. On that same day, in an effort to minimize any delays in moving the project forward, City Staff released three separate bid packages for re-bidding of the Civic Center Wastewater Treatment Facility – Phase 1 Project. To accommodate changes to the Assessment Engineer’s report and the re-bidding of the project, on October 12, 2015, the Malibu City Council Adopted Resolution No. 15-65 which continued the Public Hearing for establishment of the proposed Assessment District to January 25, 2016.
In October, 2015, staff conducted non-mandatory pre-bid meetings for all three projects. On December 8, 2015, construction bids for all three projects were received and publically opened. As expected, re-bidding the project as three separate projects resulted in more contractors bidding the project. However, the bids that were received exceeded the project engineer’s original cost estimate for construction of the project. Although the bids were higher than expected staff is reviewing the bids for conformance with the contract documents and reanalyzing the project funding sources.

On December 11, 2015, the City mailed assessment ballots to property owners within the proposed Assessment District for establishment of the Civic Center Wastewater Treatment Facility – Phase 1, Assessment District No. 2015-1. In a Public Hearing at the Regular Malibu City Council Meeting on January 25, 2016, the assessment ballots received were counted and the results of the election were overwhelmingly in favor of establishing the Assessment District. Accordingly, the Malibu City Council adopted resolutions establishing the City of Malibu Assessment District No. 2015-1 for the Civic Center Wastewater Treatment Facility – Phase 1 Project.

As you are aware, formation of the Assessment District was a critical step 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. At this time, the City is determined to continue moving the project forward by reviewing and evaluating the construction bids, executing and recording the required documents necessary for the formation of the Assessment District (such as the Assessment Boundary Map and the Assessment District Engineer’s Report), processing SRF loan and grant documents, and preparing a request for proposal (RFP) to seek and hire the services of a professional construction management consultant to manage and administer construction of the project.

The City continues to implement the groundwater and surface water monitoring program as required by the project permits. The fourth quarter 2015 water monitoring report was recently completed and submitted to the RWQCB. Staff continues to also hold bi-monthly meetings with stakeholders and stakeholder groups regarding the Civic Center Wastewater Treatment Facility Project. Based on the voting results of the aforementioned assessment district, there appears to be continued support for construction of the wastewater treatment plant project.

As you can see, the City is still 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 and very expensive 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