

# Memorandum



**DATE:** September 18, 2014

**TO:** Honorable Chairman Juan C. Zapata and Members,  
Infrastructure and Capital Improvements Committee  
Board of County Commissioners

**FROM:** Carlos A. Gimenez   
Mayor

**SUBJECT:** Hialeah Reverse Osmosis Water Treatment Plant – August 2014  
Update

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As discussed during the August 25, 2014 meeting of the Infrastructure and Capital Improvements Committee (ICIC). Attached please find the latest update from the City of Hialeah regarding the status of the Reverse Osmosis Water Treatment Plant.

Attachment

c: Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners  
Jack Osterholt, Deputy Mayor  
Bill Johnson, Director, Miami-Dade WASD

## MEMORANDUM

**Date:** August 22, 2014

**To:** William Johnson, Director  
Miami Dade Water and Sewers Department (MDWASD)

**From:** Armando Vidal, P.E., Director  
City of Hialeah Public Works Department

**CC:** Mayor Carlos Hernandez, Mayor Carlos Gimenez, Mary T. Cagle, Alina Tejada Hudak, Lorena Bravo, Joe Sullivan, Robert Cuevas, Luis Aguiar, Ralph Terrero, Sunil Shivaran, Joe Dysard, William Rathbun, Peter Liu, Patra Liu

**Reference:** Hialeah RO Water Treatment Plant (the Project) - Status Report Update as of August 21, 2014

On June 19, 2014 you received my status report for this project as of June 16, 2014. Attached was my earlier status report of March 4, 2014. On July 1, 2014, MDC Mayor Carlos Gimenez submitted a status report to the Board of county Commissioners as requested by the Infrastructure and Capital Improvement Committee during their June 10, 2014 meeting. My earlier memoranda discussed the status of the Project from inception to June 16, 2014; the purpose of this report is to update my memorandum of June 19, 2014 and summarize all activities that have taken place since that time.

1. As of July 1, 2014 the Company (Inima/AECOM) completed repairs to the piping and valve systems of the two 5 MG storage tanks, reached agreement with the City/County on the water quality parameters to be achieved during the 14-day Acceptance Test and worked with City consultants to ensure that chemical dosing was in accordance with the agreed-upon water quality parameters and that all mechanical systems were fully operational.
2. On July 2, 2014 I authorized, as recommended by the City consultants, that the Company proceed with the start of the Acceptance Test effective July 4, 2014 at 12 noon. Water was introduced (as authorized by the FDOH) into both City/County distribution systems as of Thursday

night July 3, 2014 in anticipation of the start of the Acceptance Test the following day.

3. On Saturday July 5, 2014 the Company experienced a major mechanical failure of RO Skid #5 pump and the Acceptance Test had to be discontinued. As we have previously discussed, the Service Contract requires that all mechanical systems be fully operational for the start of the Acceptance Test and during the 14-day period of the test. The mechanical failure of Skid #5 resulted in the Company's failure to complete the test as outlined in their contract.
4. While the Company continued to produce water during this period, the Company notified the City/County that they experienced an excursion from the pH requirement of the agreed upon water quality parameters independent of the mechanical failures of Skid #5 pump.
5. On Monday July 14, 2014, due to an electrical storm in the area, the Company experienced electrical failures to well #4. On Friday July 18, 2014, well #4 control equipment was repaired using a City/County spare (to be replaced by the Company at a future date). However, Skid #5 remained out of service as of this time. Therefore, the Company was not able to re-start the Acceptance Test under the terms and conditions of the Service Contract.
6. On Tuesday July 29, 2014 the Company completed the reconstruction of the bio-filters (bio-scrubbers) and started to test the bio-filter system. Repairs to Skid #5 had begun and were underway as of this date. On Wednesday July 30, 2014, during the start and test of the bio-filters, the Company experienced minor mechanical issues that were repaired during this time. However, the Company also experienced the failure of the degassifier blowers. It was determined that blower #3 wiring needed to be replaced.
7. On July 30, 2014, the Company requested that they be authorized to start the Acceptance Test making the argument that most of the electrical and mechanical failures were maintenance type failures that can be repaired as they proceeded into the Acceptance Test. On Thursday July 31, 2014, the City rejected their request since the

Company had not met the Service Contract conditions required as a pre-condition to the start of the test.

8. On July 31, 2014 the City/County were notified by the Company that the plant was shut down and was not producing water due to a subsequent electrical storm that damaged the lime feed system. It is important to note that since July 5, 2014 the Company was not able to re-start the Acceptance Test due to reoccurring mechanical and/or electrical failures of different plant systems. The Company continued to operate intermittently producing 7.5 MGD of finished water (disposal down the deep injection wells). The City/County stopped receiving water from the plant on July 31, 2014. To date these connections to the distribution systems remain closed.
9. As of July 31, 2014 RO Skid #5 and the lime system remained out of service and had not been repaired. Our consulting engineers reported that most, if not all of the other repairs, were completed as of this date.
10. On Monday August 4, 2014 we were informed that in order for the Company to repair RO Skid #5 they took out of service RO Skid #1 and used part from RO Skid #1 to repair RO Skid #5. Unfortunately this action by the Company did not alleviate their present condition since one of the RO Skids, in this case RO Skid #1, was out of service preventing the Company from re-starting the Acceptance Test. As of this date the lime feed system remained out of service.
11. On Thursday August 7, 2014 Dave Clancy of AECOM during a telephone conference with myself and members of the City and AECOM staffs, informed me that the Company should be ready to re-start the Acceptance Test on Thursday August 14, 2014. Mr. Clancy was informed that in order for the Company to re-start the test all prior Service Contract conditions, including all outstanding mechanical repairs, must be met and completed. As of August 21, 2014 the Company has not started the Acceptance Test and continues to repair outstanding items.
12. On August 15, 2014 the Company informed the City/County that all repairs to the lime feed system had been completed and they were working on water quality balancing the chemical dosing. The Company

took water quality samples. The samples failed to meet FDOH bacteriological requirements. Therefore, the plant has not been authorized to deliver water into the City/County distribution systems and re-start the Acceptance Test. Finished water continues to be disposed down the deep injection wells.

13. On August 17, 2014 I was informed that the Company experienced more mechanical failures. RO Pump #6 had a seal that failed and was placed out of service; High Service Pump #2 shorted out and is under repairs; SCADA communications to the Deep Injection Wells failed. The plant operations were shut down due to the bursting of a PVC pipe feeding the lime saturation system. Lastly two water quality samples taken during this period to detect the presence of bacteria failed and show the presence of coliform bacteria. The Company will be required to disinfect the entire plant system and get bacteriological clearance from the FDOH prior to authorization to put finished water into the City/County distribution systems. The Company started disinfection August 21, 2014.
14. As of August 18, 2014 the bio-filters (scrubbers) we working at their design rate of 99% but at a production rate of 5.0 MGD not at the required level of 7.5 MGD. The Company informed us that the filters are now operating at the required levels. However, we have not received the required manufacturer's certification to this fact. As of this date the plant continues to produce water (disposal down the deep injection wells) but was not meeting all contract requirements of water quality as outlined in table 15-2. The City/County has taken water quality samples and we are waiting for the results from our outside laboratory. Under the terms of Amendment #2 (not yet executed), the Company was required to complete the bio-filters by no later than August 1, 2014 or face liquidated damages of \$10,000 per day, which are in addition to the liquidated damages associated with failing to meet the Acceptance Date (as noted below).
15. As of August 21, 2014 the Company informed us that their second set of bacteriological samples failed and as discussed above the Company has undertaken the required sanitation of plant facilities. Re-sampling should take place after the Company completes their sanitation activities and chlorinates the system accordingly. We would have to

wait for clear results from the two consecutive days of samples required by the FDOH before re-starting the Acceptance Test. RO Feed Pump #6 has been repaired; the plant is producing 7.5 MGD of finished water disposing of the same down the deep injection wells.

16. The Company has not met its commitment to achieve Acceptance by June 21, 2012. As previously discussed, the Company is facing liquidated damages of \$10,000 per day under the terms of Amendment #2 to the Service Contract (Amendment #2 has not yet been executed by the parties). We are currently working with the Company to determine when the necessary repairs to plant systems will be completed in order to re-start the Acceptance Test. Please note that a tentative start date of Thursday August 28, 2014 has been discussed pending resolution of all outstanding items noted herein. In the meantime, the Company is responsible for all costs necessary to achieve Acceptance, including power costs, and will not be entitled to its Service Fee until it actually achieves Acceptance..

Once again, this memorandum updates my previous report of June 19, 2014. It is important to note that the MDC IG requested on August 4, 2014 the backup documentation to Inima's claim from the Company. To my knowledge this information has not been submitted as of this writing. If you have any questions or desire additional information please does not hesitate to call on me at (305)-556-3700.