

May 27, 2009



Department of Planning and Building
Attn: Ms. Sarah Christie
Chairperson SLO Planning Commission
976 Osos Street, Room 300
San Luis Obispo, CA. 93408

814 AIRWAY AVENUE
SUTHERLIN, OREGON
97479

Subject: **7 reasons why STEP was eliminated**

TOLL FREE:

Honorable Planning Commissioners:

(800) 348-9843

Please accept this letter as a rebuttal to the 7 reasons that are being presented to you as to why STEP is not being considered by staff.

TELEPHONE:

(541) 459-4449

Please take into consideration the following rebuttals are given within the context of the criteria set forth in the Collection System Request for Qualifications. This is the criteria by which all teams are evaluated and ranked. This context is critically important because the result is that most of staffs 7 reasons fall outside of the RFQ evaluation and ranking criteria:

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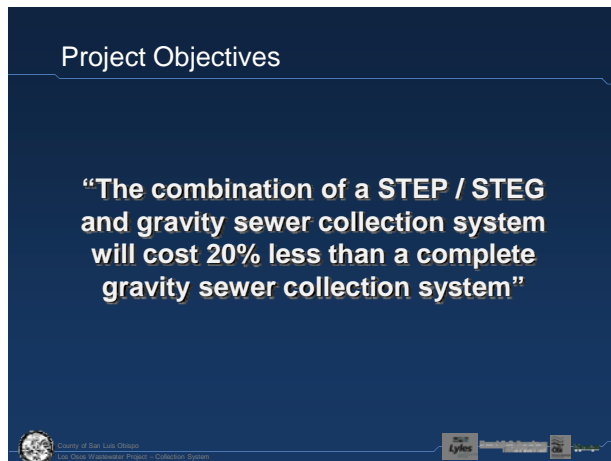
(541)459-2884

Reason #1: STEP would require additional funds and schedule delays –

WEB SITE:

www.orengo.com

- a. This reason implies that a gravity sewer hybrid would cause no additional funds or schedule delays.
- b. During our interview the WM Lyles team proposed a gravity sewer hybrid. Following is the slide that was presented and explained during our interview.



- c. WM Lyles gravity sewer hybrid contains STEP.
- d. This fact neutralizes reasons number one, two, three, and four to eliminate STEP.
- e. Additional funds and schedule delays are subjective and not part of the RFQ selection criteria. Timing was an evaluation criterion and we stated that simplicity of design (minimal complexity, low risk) facilitates rapid design process.

Reason #2: STEP did not present sufficient cost savings –

- a. "Sufficient cost savings" was not a criteria identified in the RFQ process. California Contract Code 20133 (4) (B) (i) Competitive proposals shall be evaluated by using only the criteria and selection procedures specifically identified in the request for proposal. These same criteria should apply to the RFQ.
- b. The RFQ process is utilized to evaluate the qualification of the team, not hypothetical costs. Actual costs cannot be established until bids are received in the RFP. The WM Lyles team had performed enough project analysis to deliver confident statements during our interview.
- c. Cost is the #1 concern to the community and as Mr. Waddell pointed out STEP is less expensive than gravity sewer.
- d. The community survey is being utilized as justification that STEP does not provide enough savings. STEP definitively provides savings. The community survey is irrelevant within the context of the RFQ. Had it been part of the criteria the WM Lyles team would've addressed the accusations.
- e. Understanding all risks involved the WM Lyles team stated that our proposal would contain a maximum guaranteed price. Should the gravity sewer teams be required to submit a guaranteed maximum price (no change orders) that 20% cost savings could be increased substantially.

Reason #3: EIR analysis does not establish STEP as environmentally superior and no evidence indicates that a properly maintained gravity hybrid system poses a significant threat to the environment.

- a. The RFQ documents treated both STEP and gravity as equal. The RFQ does not include any evaluation criteria that would have asked teams to respond to this issue at that time.
- b. This statement doesn't state that STEP is better than gravity or gravity is better than STEP. Therefore, why is it mentioned as a justification for not promoting a STEP team?
- c. The EIR does not directly compare STEP against gravity sewer; it compares the four alternative collection and treatment systems combined. It appears that a direct comparison of STEP and gravity was actually avoided.
- d. The "Statement of Key Environmental Issues" submitted by the local San Luis Obispo environmental groups disagree with the "no significant threat to the environment" statement.

Reason #4: The STEP/STEG collection system will require extensive planning and design work to be completed and compared to the gravity/hybrid collection system option.

- a. Our hybrid solution will take no more work or additional time than the other teams. In fact the simplicity and low risk attributes of a STEP collection system would likely require less intensive planning and design work.
- b. The gravity sewer/hybrid system is not defined. Please take into account that with the MWH design gravity sewer over half the town is flowing the wrong way (toward Tri-W) away from the out of town treatment. If the lowest cost, best engineered gravity hybrid system was selected, it would likely require as much, or more, planning and design than a gravity/STEP hybrid.
- c. No performance time frame was given in the RFQ, rendering this another subjective reason and possibly violating 20133 for not sticking to the specific project RFQ Evaluation and Ranking criteria.
- d. During the interview our team stated that our STEP/STEG gravity sewer solution would be installed much faster than the gravity teams.

Reason #5: STEP/STEG has significant uncertainty over how to obtain easements from each private property owner for the installation of new STEP tanks.

- a. There are thousands of low pressure sewer (STEP, Grinder, and Vacuum) systems installed across the country that do not support staff's subjective opinion of public utility infrastructure on private property. The SOQ panel interviewed Mike Saunders who had successfully overcome this issue in Port Charlotte, Florida with a STEP system.
- b. Within the context of sustainability "only systems can be sustainable" however the County is choosing to not own or maintain a critical piece of the collection system which is the gravity sewer lateral connection to the home. It is very well documented that the lateral is typically the largest source of I/I in gravity sewer systems, but the County will have no control over this critical system component. Repairing and replacing privately owned laterals can cost up to \$8,000, and since they are not publically funded or maintained, rarely get replaced at, or before, failure. Since the lineal footage of sewer laterals can be comparable to the footage of mainline, unmaintained gravity sewer lateral can and have been documented to be, considerable threats to the environment.
- c. The County will own the STEP/STEG tanks and have full control in the event I/I is detected at the home. I/I can be independently monitored at each tank.

Reason #6: STEP/STEG shifts the impact of major construction from the county road right of way to individual private property.

- a. However the overall impact of major construction is much greater with gravity sewer.
- b. Please review the graphics in Appendix A. depicting the gravity and STEP impacts for both best and worst cases scenarios.

Reason #7: STEP/STEG will create significant additional costs for some property owners.

- a. This statement is not part of the RFQ criteria and is a requirement being imposed by staff. It doesn't have to create additional costs for property owners, the on lot expenses could be structured as part of the system funding. This issue should be easily mitigated during the design phase of the project after the contract is awarded.

So what are staff's remaining arguments? Only subjective criteria that is prone to opinion and laden with bias against STEP, for example:

- On lot easements – Orenco has provided examples of how this has been done successfully but staff continues to ignore and feign that this issue is just too difficult to overcome. While detracting from pertinent issues like gravity sewer sanitary sewer overflows, sea water intrusion etc.
- Los Osos is too big for STEP/STEG – This is said often but with no detail. For the record there are no engineering design principles (hydraulic, physical, or mechanical) that deem Los Osos as too big. This statement is just rhetoric.
- Lot's are too small – In Design Build staff needs to let the experts deal with the difficulties of small lots. That's why we guarantee our work.

In summary, throughout the County's process the STEP/STEG collection has proven to be economically and environmentally superior over gravity sewer in each of the following major areas of concern:

- Lower installed capital costs
- Less construction impact across the entire collection system
- Less soil disturbance across the entire collection system
- Fused pipe vs. gravity sewer Bell and Spigot jointed pipe
- No exfiltration (or exfiltration is easily detectable through a drop in the pressure main) vs. gravity sewer that could exfiltrate for years undetected.
- Lower to no infiltration and inflow
- Lower Biochemical Oxygen Demand load at the WWTP.
- Lower biosolids production
- Lower Green House Gas emissions
- Given the chance Orenco can also prove that STEP/STEG has a much lower Full Life Cycle Cost over gravity sewer.

Within the overall project context there are no logical reasons STEP should not be carried through to the RFP stage.

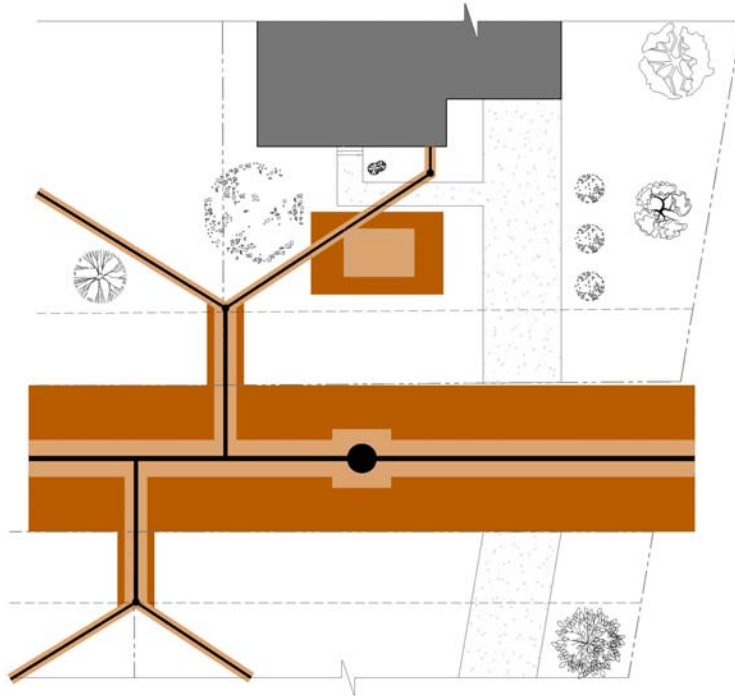
Thanks for taking the time to consider these comments. You can reach me (800.718.4046) or Mike Saunders (866.914.9454) anytime.

Sincerely,

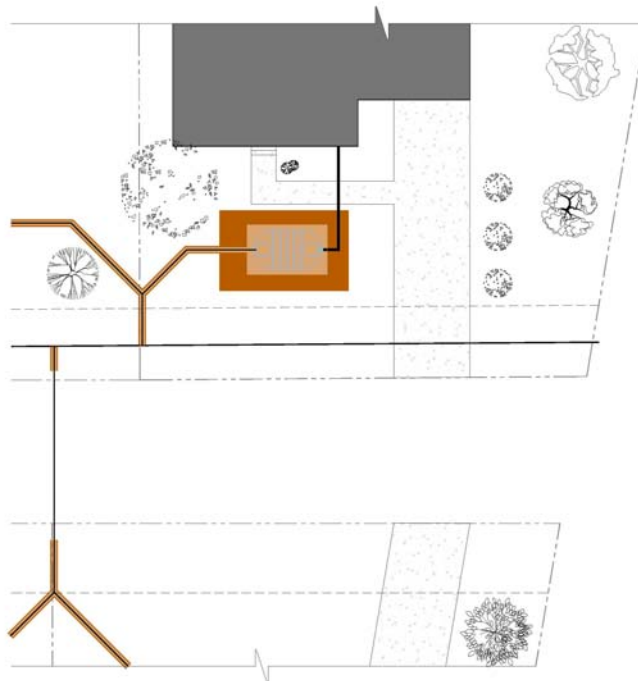
William Cagle
Program Leader, National Accounts

Appendix A

The following two illustrations compare gravity sewer soil disturbance against STEP sewer soil disturbance. STEP is by far superior with less overall impact.



The above drawing is a depiction of the overall gravity sewer soil disturbance impact drawn to scale within the context of applicable codes, setbacks, etc.



The above drawing is a depiction of the overall STEP soil disturbance impact drawn to scale within the context of applicable codes, setbacks, etc. The lightly colored tan areas are best case scenarios the darker brown areas are worst case.