



MEMORANDUM

TO: SLDMWA Finance & Administration Committee Members, Alternates
SLDMWA Board of Directors, Alternates

FROM: Pablo Arroyave, Chief Operating Officer
Jaime McNeil, Engineering Manager

DATE: August 4, 2025

RE: Recommendation to Board of Directors to Authorize Execution of Change Order for O'Neill Pumping-Generating Plant Power Transformer Rehabilitations and Increase in Expenditure of Up to \$2,156,500 from the FY24 and FY26 EO&M Budgets

BACKGROUND

Following authorization by the Board of Directors in Resolution No. 2023-513, on May 8, 2023, the Water Authority executed a contract with Cal Electro, Inc (CEI) in the amount of \$3,155,800 for the rehabilitation of the four transformers (one spare, and three in-service transformers) at the O'Neill Pumping-Generating Plant. The rehabilitation involves the transformers being retrofilled with synthetic ester fluid. It also includes new gaskets, low side and neutral bushings, valves, liquid level gauges, thermowells and temperature gauges, paint, oil preservation system (conservator), fans and temperature controls, protective relay upgrade, and hazardous waste disposal. The original intent of the contract was to rehabilitate the spare transformer first, requiring no outage, and then rehabilitate the three in-service transformers at one time during a full 45-day plant outage. On March 21, 2024, the outage was canceled due to water supply demands and contract related delays.

Concerns over future lost water prompted the adoption of a new strategy to complete the rehabilitations. As directed, and as agreed to by the Bureau of Reclamation Central Valley Operations Office, the team revised the specifications and schedule to rehabilitate the transformers one at a time. The new multi-outage strategy involves swapping the spare transformer into service, thereby minimizing the duration of each single outage and allowing the plant to remain operational during the rehabilitation work. Outages will occur annually in the September/October time frame over the next three years. After each outage, there will be a 30-day hold period to verify operation of the rehabilitated transformer prior to commencing work on the next transformer. The first outage is scheduled to be 20 days, with the three subsequent outages estimated at 11 days each. This will ensure the newly rehabilitated transformer is ready to be swapped in at the next scheduled outage, or earlier in the case of emergency.

ISSUE FOR DECISION

Whether to authorize execution of the Change Order for O'Neill Pumping-Generating Plant Power Transformer Rehabilitations and increase in expenditure of up to \$2,156,500, utilizing EO&M funds from the FY24 and FY26 EO&M Budgets.

RECOMMENDATION

Staff recommends authorizing execution of the Change Order for O'Neill Pumping-Generating Plant Power Transformer Rehabilitations and increase in expenditure of up to \$2,156,500, utilizing EO&M funds from the FY24 and FY26 EO&M Budgets.

ANALYSIS

Considerable specification revisions were required to transition from a single outage to a multi-phase outage; the revised technical specifications were provided to CEI in June 2025. In addition, Reclamation, staff, and consultants conducted a workshop to review the specific changes with CEI. CEI has expressed a willingness and commitment to complete the project over a period of three years and four separate outages for the additional cost of \$2,156,500. Through conversations with CEI, this 68% cost increase above the original contract amount is due to the multiple mobilizations for them and their subconsultants, as well as escalated prices. The following are critical dates identified in the revised contract:

Outage #1: 10/6/2025 – 10/25/2025 (approved by Central Valley Operations)

Outage #2 window: September – October 2026

Outage #3 window: September – October 2027

Outage #4 window: September – October 2028

Contract Completion date: 12/31/2028

BUDGET IMPLICATIONS

The proposed expenditure of up to \$2,156,500 will be funded utilizing approved budgeted funds from the Fiscal Year 2024 and 2026 EO&M budgets. Note: \$1,800,000 was budgeted for this change order in fiscal year 2026. Fiscal Year 2024 budgeted funds for this project will be used for the remaining \$356,500.

ATTACHMENTS

1. Draft Change Order



CHANGE ORDER

Change Order No.: 3
RFI No. N/A

Date: 08/07/2025
Date: N/A

Name of Project: **O'Neill Pumping-Generating Plant Power Transformer Rehabilitations**
Specification No.: **F23-OPP-015**
Owner: **E. Robert Meissner**
Contractor: **Cal Electro, Inc.**

Part: 1 Description of Change Order

The original outage window of April – May 2024 was formally cancelled last year per the Notice of Cancellation of Scheduled Outage letter dated March 21, 2024. Since then, through conversations with primary stakeholders, the Water Authority decided to accomplish this project through a series of multiple small annual outages to allow the continued operation of the O'Neill Pumping-Generating Plant during the rehabilitation of each transformer.

Change Order 3 details the items necessary to transition from one outage schedule to multiple outage schedules. The items include the following:

- a. Updated General Project Schedule, which includes planned interruption of services/plant outages. Will consist of multiple outages with one outage per year until completion.
- b. Revised Technical Specifications, including updates regarding the General Project Schedule and additional instructions to add clarity / minimize the possibility of errors during construction.
- c. Updated Contract Milestones correlating to the changes in the General Project Schedule and the Revised Technical Specifications.
- d. Invoiced amounts to date are included to show the current contract status. New price schedules to supersede previous price schedules to correlate with the updated General Project Schedule and Revised Technical Specifications.

Attachment 1 – Updated Table of Contents

Attachment 2 – Revised Technical Specifications with tracked changes

Attachment 3 – Revised Technical Specifications ("Clean" copy with tracked changes accepted)

Attachment 4 – Updated General Project Schedule

Attachment 5 – Updated Drawings

Part 2: Current Accounting; Original Price Schedule, Change Order(s) 1 and 2, and Expenses Accrued and Paid

CLIN	Section	Supplies or Services	Quantity and Unit	Unit Price	Amount	Expenses Paid Minus Retention	5% Retention Withheld
1-1	00 72 00 8.01 C	Mobilization and Preparatory Work	For the lump sum of		\$110,000	\$104,500	\$5,500
1-2	26 05 02 48 19 23	Services of an Erecting Engineer – Regular Hours	24 days	\$1,600.00	\$38,400	N/A	N/A
1-3	26 05 02 48 19 23	Services of an Erecting Engineer – Overtime Hours	32 hours	\$300.00	\$9,600	N/A	N/A
1-4	01 31 30	Contract Document Management System	For the lump sum of		\$18,000	\$17,100	\$900
1-5	01 33 26	Electrical Drawings and Data	For the lump sum of		\$25,000	\$17,812.5	\$937.50
1-6	02 80 10 02 80 20 02 83 33 02 87 20 26 05 05	Removal and Disposal of Existing Electrical Equipment	For the lump sum of		\$42,000	\$9,975	\$525
1-7	26 05 20	Conductors and Cables	For the lump sum of		\$58,000	N/A	N/A
1-8	26 05 33 31 23 12	Raceways and Boxes	For the lump sum of		\$68,000	N/A	N/A
1-9	26 09 16	Protection Systems	For the lump sum of		\$86,000	N/A	N/A
1-10	33 72 26	Outdoor Jumper Buses, Rigid Bus, and Accessories	For the lump sum of		\$30,000	N/A	N/A
1-11	33 75 39	Surge Arresters	For the lump sum of		\$30,000	N/A	N/A
1-12	09 96 20 26 28 16 48 19 23	Rehabilitate Power Transformers	For the lump sum of		\$2,345,000	\$556,937.5	\$29,312.50
1-13	48 19 23	Transformer Extra Materials	For the lump sum of		\$40,000	N/A	N/A
1-14	48 19 24	Transformer Insulating Fluid	For the lump sum of		\$145,800	\$138,510	\$7,290
2-1	26 05 05 48 19 23	Spare Transformer Lid Replacement	For the lump sum of		\$110,000	\$104,500	\$5,500
ORIGINAL SUB TOTAL5/8/2025					\$3,155,800	\$949,335	\$49,965.00
Change Order 1 1/25/2024					\$52,782.71	\$50,143.57	\$2,639.14
Change Order 2 3/24/2025					\$7,236.44	\$6,900.27	\$363.17
Grand Total for Part 2					\$3,215,846.15	\$1,006,378.84	\$52,967.31
Balance Remaining on Contract =(Grand Total – Expenses Paid – 5% Retention Withheld)					\$2,156,500.00		

Part 3: Revised Price Schedule(s) One through Five (1-5) due to several outage windows:***PRICE SCHEDULE 1 – OVERALL PROJECT COSTS**

CLIN	Section	Supplies or Services	Quantity and Unit	Unit Price	Amount
1-1	00 72 00 8.01 C	Mobilization and Preparatory Work	For the lump sum of		\$ 203,094.07
1-2	01 31 30	Contract Document Management System	For the lump sum of		\$ 80,325.65
1-3	01 33 26	Electrical Drawings and Data	For the lump sum of		\$ 6,250.00
1-4	26 05 05	Removal and Disposal of Existing Electrical Equipment	For the lump sum of		\$ 31,500.00
1-5	26 09 16	Protection Systems	For the lump sum of		\$ 96,000.00
1-6	48 19 23	Transformer Extra Materials	For the lump sum of		\$ 54,145.00

**Note: CLIN unrelated to CLINS in original Technical Specifications (Part 2 Table)*

TOTAL FOR PRICE SCHEDULE 1 \$ 471,314.72

PRICE SCHEDULE 2 – TRANSFORMER C-02345-5-4

CLIN	Section	Supplies or Services	Quantity and Unit	Unit Price	Amount
2-1	00 72 00 8.01 C	Mobilization and Preparatory Work	For the lump sum of		\$ 113,614.50
2-2	48 19 23	Rehabilitate Power Transformer	For the lump sum of		\$ 647,267.74
2-3	48 19 24	Flush and Fill Fluid	For the lump sum of		\$ 178,451.85
2-4	26 05 80	Device Checkout at Temporary Location	For the lump sum of		\$ 1,875.00
2-5	48 19 23	Configuration of Power Transformers	For the lump sum of		\$ 17,945.40

TOTAL FOR PRICE SCHEDULE 2 \$ 959,154.49

PRICE SCHEDULE 3 – TRANSFORMER C-02345-5-1

CLIN	Section	Supplies or Services	Quantity and Unit	Unit Price	Amount
3-1	00 72 00 8.01 C	Mobilization and Preparatory Work	For the lump sum of		\$ 117,923.48
3-2	48 19 23	Rehabilitate Power Transformer	For the lump sum of		\$ 675,957.29
3-3	48 19 24	Flush and Fill Fluid	For the lump sum of		\$ 184,291.01
3-4	26 05 80	Device Checkout at Temporary Location	For the lump sum of		\$ 2,062.50
3-5	48 19 23	Configuration of Power Transformers	For the lump sum of		\$ 18,517.44

TOTAL FOR PRICE SCHEDULE 3 \$ **998,751.72**

PRICE SCHEDULE 4 – TRANSFORMER C-02345-5-2

CLIN	Section	Supplies or Services	Quantity and Unit	Unit Price	Amount
4-1	00 72 00 8.01 C	Mobilization and Preparatory Work	For the lump sum of		\$ 121,985.65
4-2	48 19 23	Rehabilitate Power Transformer	For the lump sum of		\$ 693,882.39
4-3	48 19 24	Flush and Fill Fluid	For the lump sum of		\$ 193,923.24
4-4	26 05 80	Device Checkout at Temporary Location	For the lump sum of		\$ 2,268.75
4-5	48 19 23	Configuration of Power Transformers	For the lump sum of		\$ 19,146.68

TOTAL FOR PRICE SCHEDULE 4 \$ **1,031,206.71**

PRICE SCHEDULE 5 – TRANSFORMER C-02345-5-3

CLIN	Section	Supplies or Services	Quantity and Unit	Unit Price	Amount
5-1	00 72 00 8.01 C	Mobilization and Preparatory Work	For the lump sum of		\$ 126,224.49
5-2	48 19 23	Rehabilitate Power Transformer	For the lump sum of		\$ 657,731.03
5-3	48 19 24	Flush and Fill Fluid	For the lump sum of		\$ 35,380.00
5-4	26 05 80	Device Checkout at Temporary Location	For the lump sum of		\$ 2,495.63
5-5	48 19 23	Configuration of Power Transformers	For the lump sum of		\$ 17,213.85

TOTAL FOR PRICE SCHEDULE 5 \$ **839,045.00**

Part 3 Recap:

Price Schedule No. and Description	Amount
Price Schedule 1 – Overall Project Costs	\$471,314.72
Price Schedule 2 – Transformer C-02345-5-4	\$959,154.49
Price Schedule 3 – Transformer C-02345-5-1	\$998,751.72
Price Schedule 4 – Transformer C-02345-5-2	\$1,031,206.71
Price Schedule 5 – Transformer C-02345-5-3	\$839,045.00
GRAND TOTAL FOR PRICE SCHEDULES 1-5:	\$4,299,472.64

Cost Summary

Original Contract Amount:	\$3,155,800.00
Total Changes under Change Order 1:	\$52,782.71
Total Contract Amount including Change Order 1:	\$3,208,582.71
Total Changes under Change Order 2:	\$7,263.44
Total Contract Amount including Change Order 2:	\$3,215,846.15
Total Changes under Change Order 3:	\$2,142,972.64
Total Contract Amount with All Changes:	\$5,358,818.79

Total Invoiced to Date w/ Retention (Part 2):	\$1,059,346.15
Total Balance Remaining (Part 2):	\$2,156,500.00

Change Order 3 (Price Schedules 1-5 under Part 3):	\$4,299,472.64
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Total Cost Adjustment and Changes (Change Order 3 minus Total Balance Remaining)	\$2,142,972.64
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Total Contract Amount including Change Order 3: (Total Contract Amount including Change Order 2 plus Total Cost Adjustment and Changes)	\$5,358,818.79
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Schedule Summary

Original Estimate Completion Date:	May 31, 2024
New Estimated Completion Date with all Change Orders:	December 31, 2028

Recommended By: _____ Date: _____
(Project Manager), SLDMWA

Accepted By: _____ Date: _____
Contractor Representative.

Approved By: _____ Date: _____
(Manager/Director/COO), SLDMWA

Change Order Attachments

1. Updated Table of Contents
2. Revised Technical Specifications with tracked changes
3. Revised Technical Specifications ("Clean" copy w/ tracked changes accepted)
4. Updated General Project Schedule
5. Updated Drawings

Note: Due to large file sizes, attachments have not been included but are available upon request.