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**UNSOLICITED PROPOSAL
FOR AN ECONOMICAL
HIGH-PRECISION LARGE WATER FLOW CALIBRATION FACILITY
TO BE ESTABLISHED AS A PUBLIC-PRIVATE PARTNERSHIP
FOR THE PURPOSES OF CONSERVATION OF WATER,
RECOVERY OF NON-REVENUE/LOST WATER,
TO FACILITATE ACCURATE/MEANINGFUL WATER AUDITS AND
WATER PIPELINE INFRASTRUCTURE LEAK DETECTION / PRIORITIZATION**

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ABSTRACT

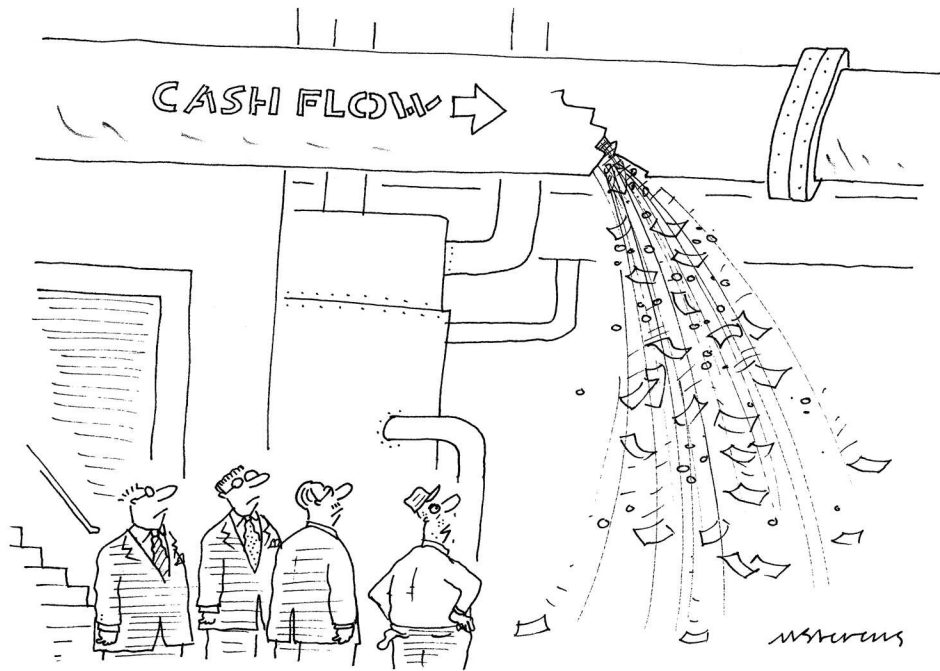
Water is the life blood of all cities. However large quantities of water are unaccounted for and lost to leakage due to historically poor measurement practices. Per the American Water Works Association, average distribution system water loss is 22.6% — whereof up to 75% is theoretically recoverable per EPA estimates. An April 2018 analysis of the 2016 California water audit estimated the value of the 2016 statewide recoverable water to be \$131,522,263. Especially in view of California's water shortages, growing population, and aging water infrastructure, the minimization of water loss is of the highest priority — reducing the need for large scale public water conservation, minimizing the need to find new water sources, keeping consumer costs reasonable, facilitating economic growth, etc.

The key to water sustainability is reducing the difference in quantity between available supply and actually delivered water. This document proposes a high precision water flow calibration facility for large municipal water distribution meters, thus providing the ultimate — and rigorous — basis for a comprehensive approach to municipal water infrastructure management: accurate and reliable water metering and audits, with the goal of optimizing water consumption, eventual/future water pipeline infrastructure leak detection and location using proven mass/volume balance methodologies, and prioritization of water distribution pipeline repair/replacement.

NOTICE

This unsolicited proposal is submitted under the guidelines/provisions of the Federal Acquisition Regulation (FAR), Subpart 15.6, for unsolicited proposals.

Per FAR 15.6: This proposal includes data that shall not be disclosed outside of the evaluating agency and shall not be duplicated, used, or disclosed — in whole or in part — for any purpose other than to evaluate this proposal. However, if a contract is awarded to the offerer as a result of — or in connection with — the submission of these data, the agency shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the agency's right to use information if they are obtained from another source without restriction. The data subject to this restriction are contained in Section 3 (Pages 3-1 and 3-2) and in Appendix 1.



"Well, gentlemen, there's your problem."

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1. Introduction: Briefing for Water Policy Makers, Environmental and Legal Background

Global warming, changing weather patterns / drought, increasing population, and leakage from rapidly deteriorating water supply systems are presenting challenges to the World's — and specifically California's — water supply infrastructure.

"Water loss is a particularly important issue in California, where approximately 96% of the population is served by public water suppliers."¹

The gravity and impact of the water supply problem on health, food supply, energy, jobs, etc., is clearly stated in numerous analysis publications.² These analyses point out not only looming water supply problems — and resulting geo-instability that they cause — in third world countries, but also in California.

- In 2015 EPA estimated that California will expend a minimum of \$44.5 billion for water infrastructure improvements during the next 20 years to insure safe drinking water.³ Said figure does not include the possibility of climate change related water shortages, nor any related costs for damages due to water infrastructure failure, loss of revenue during pipe repairs/replacement, etc.
- CA SB 555 now requires annual reporting, beginning in 2017, thus daylighting this important information on water leaks and losses annually, rather than every 5 years as in the past. The American Water Works Association (AWWA) water audit software is commonly used to provide the framework for such audit.

1. Natural Resources Defense Council (NRDC) report www.nrdc.org/sites/default/files/wat_14111801as.pdf.

2. Publications dealing with the implications of water shortages/loss include, for example:

- The implications of the instability and threats caused by water shortages is the number one concern in the United States Intelligence Community Assessment ICA 2012-08, *Global Water Security*, www.state.gov/e/oes/water/ica/index.htm: "We assess that during the next 10 years, water problems will contribute to instability in states important to US national security interests. Water shortages, poor water quality, and floods by themselves are unlikely to result in state failure. However, water problems — when combined with poverty, social tensions, environmental degradation, ineffectual leadership, and weak political institutions — contribute to social disruptions that can result in state failure."

"Global water crises — from drought in the world's most productive farmlands to the hundreds of millions of people without access to safe drinking water — are the biggest threat facing the planet over the next decade." — World Economic Forum (Davos 2015), www.weforum.org/agenda/2015/01/why-world-water-crises-are-a-top-global-risk/

"Water is the ultimate systems challenge. It is a unique resource that underpins all drivers of growth — be it agricultural production, energy generation, industry or manufacturing. It also connects these sectors into a broader economic system that must balance social development and environmental interests." — World Economic Forum (Davos 2018), www.weforum.org/projects/global-water-initiative

Note that such concerns apply equally to California — one of "the world's most productive farmlands" — affecting its economic growth and business prosperity, and the ability to sustain the water needs of its population.

Additionally, the Directorate of National Intelligence's *Global Trends 2030*, http://www.dni.gov/files/documents/GlobalTrends_2030.pdf, which among other future issues facing the world, lists the "growing food, water, and energy nexus" as one of its most important "Megatrends."

- The United Nations World Water Development Report 2015 *Water for a Sustainable World*, <http://www.unesco.org/new/en/natural-sciences/environment/water/wwap/wwdr/2015-water-for-a-sustainable-world>.
- EPA's *Water Audits and Water Loss Control for Public Water Systems*, www.epa.gov/sites/production/files/2015-04/documents/epa816f13002.pdf.
- The AWWA publications on water loss and audits, e.g. *Water Audits and Loss Control Programs*, etc.

3. Drinking Water Infrastructure Needs Survey and Assessment: Fifth Report to Congress, EPA 816-R-13-0006, Exhibit 2.1, www.epa.gov/sites/production/files/2015-07/documents/epa816r006.pdf. Costs are in unadjusted 2011 dollars.

- CA SB 1420 requires that all suppliers include a quantification of distribution system water losses in their respective urban water management plans.
- Directive 5 of Governor Brown's Executive Order B-37-16 "Making Water Conservation a California Way of Life" (May 2016) calls for the California Department of Water Resources and the Water Board to "direct actions to minimize water system leaks that waste large amounts of water."
- Directive 7 of said Executive Order of B-37-16 also directs the California Energy Commission to evaluate options for water loss detection and control technologies that also increase energy efficiency.

By minimizing water loss, energy expended for water transportation, pumping, etc., is reduced. E.g. elimination of a 10% loss of water due to leakage results in a 10% reduction in pumping costs.

- Directive 7 of EO B-37-16 is again re-enforced by Directive 7 of Governor Brown's EO B-40-17 (April 2017), demonstrating the clear and continuing importance of minimizing water leaks.
- The City of Los Angeles' Executive Directive No. 5 establishes a Water Cabinet that is to focus on long-term issues, the first of which is "Increasing local water supply via an integrated water strategy."⁴
- Governor Newton's recent (April 2019) Executive Order N-10-19 directs California agencies to prepare a water resilience portfolio that meets the needs of California through the 21st century.

Note that "it is the main responsibility of the water utility to manage both the demand and supply of water responsibly and efficiently. ***Distribution side conservation through reduction and efficient management of water losses provides real advantages to a water utility.*** These benefits include:

- ***Most effective and economic way of reducing level of losses from distribution system***
- Improved public health protection
- Increases the level of service provided to customers through increased reliability of water supplies
- ***Leakage recovery often stands as the best source for new water resources for systems facing water supply shortage***
- Reduced pressure on water resources and therefore environmental improvement
- Deferral of capital expenditure on water resources and supply schemes
- Improved public perception of water companies
- Applying ***best leakage management practice*** reduces liability to water supplier."⁵

Clearly, one of the most basic ways of leakage management is to improve measurement — and the basis of good measurement ALWAYS rests on the ability to provide accurate and reliable calibration of the measurement systems themselves. This is a basic tenet of all quality management systems, as pointed out in ISO 9000.

The water audit figures published by the American Water Works (AWWA) for 2011 indicate that the range of water losses for the 21 utilities answering the survey was 6.8 - 45.5%, with an average loss of 22.6%.⁶ The real losses given in gallons/mile of main/day is 645.42 - 3,496.21, with an average of 1,821.15

4. ED_5_-_Emergency_Drought_Response_-_Creating_a_Waterwise_City.pdf, https://www.lamayor.org/mayor_garcetti_s_executive_directives

5. Storm, R. and Thornton, J.; *Water Loss Control in North America: More Cost Effective Than Consumer Side Conservation*; www.allianceforwaterefficiency.org/WorkArea/DownloadAsset.aspx?id=2626. (Italics by author of this proposal.)

6. The difference between the EPA's estimate of average water losses, 16%, and the AWWA's estimate of 22.6%, further emphasizes how poorly water is measured and accounted for. Inasmuch as the AWWA water audit methodology is the *de facto* standard method of performing water audits, the author believes that the AWWA estimates may be the more accurate of the two.

gallons/mile of main/day . That's significant, and **certainly enough to have significantly lessened and/or completely eliminated the mandatory water cutbacks that that were imposed 2016-2017 due to California's ongoing drought.**

NOTE

In April 2018 a report commissioned by the California Department of Water Resources analyzing the 2016 water audits reported that the **statewide California "Potentially Recoverable Water Financial Impact" to be \$131,522,263.**⁷ Note that this estimate is for the single year 2016.

Even though the mandatory cutbacks have been lifted due to the rain/snow fall last winter 2016-2017, California will surely have future water shortages. And water leakage and pipeline failures will still remain the cause of

- Higher water costs to the consumer;
- Water shortages in drought years;
- Unplanned/unscheduled water main shutoffs for water distribution system repairs,
- Difficult repairs of sudden catastrophic and unplanned pipeline failures — with their associated high costs;
- Potential assaults on public health due to the introduction of contaminants into the water distribution system when the pipeline loses positive pressure during shutdown and repairs;
- Traffic interruptions due to sinkholes;
- Water damage liabilities, e.g. such as occurred at UCLA when the Sunset Blvd. water main failed;
- Destabilization of hillside properties, etc.;

unless detected early, as the leaks begin.

NOTE

Water pipeline leakage commonly starts as a small corrosion pit pinhole leak, which gradually enlarges due to long term flow erosion.

Early detection of leaks would allow inexpensive repair via a saddle patch and/or planned/scheduled bypass/shutdown if an entire section of a pipeline must be replaced. Either/both are considerably less expensive than repair/replacement under the duress and mess of catastrophic failures.

In older municipal water systems with large numbers of leaks, determination of the leakage flowrates and their rate of change — how quickly the leak is growing — also allows the prioritization of repairs.

EPA 816-F-13-002 *Water Audits and Water Loss Control for Public Water Systems* and EPA 816-R-019 *Control and Mitigation of Drinking Water Losses in Distribution Systems* both emphasize **the importance of water audits and the vital role of metering systems therein.**

7. *Report on the Evaluation of 2016 Validated Water Audit Data of California Water Utilities*, Kunkel Water Efficiency Consulting, Table 4, p. 7 (2018). www.nrdc.org/sites/default/files/report-on-the-evaluation-of-2016-validated-water-audit-data-of-california-water-utilities_2018-05-16.pdf

However, without the ability to determine the accuracy of metering systems, water audits are only approximate, and there is no basis for the detection of leaks in water distribution pipelines.⁸

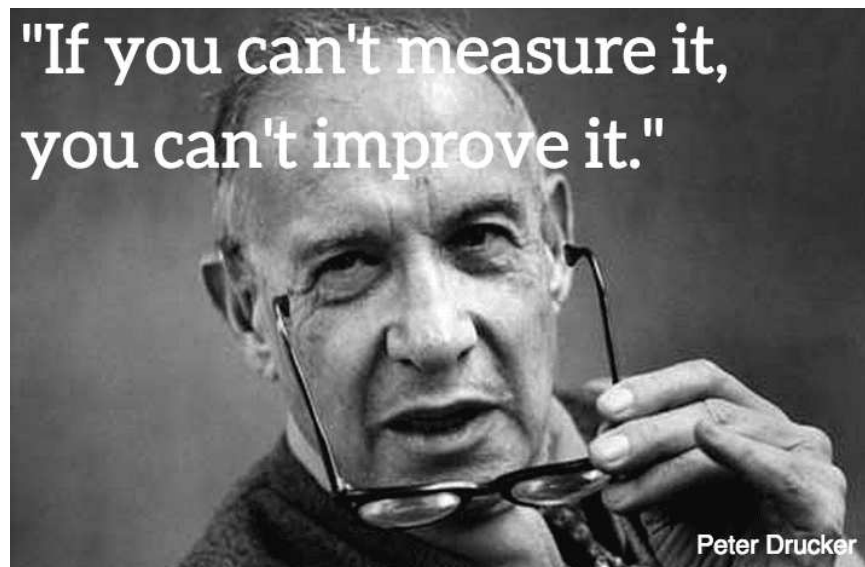
Once leakage between two measurement points has been confirmed, the leak location can then be determined by iterating the pressure drop downstream from the input point and upstream from the outlet point to their point of convergence.⁹

NOTE

The establishment of a low uncertainly large flow calibration facility is the first — and most vital/necessary — step on the long path to on-line, near real-time, detection/location/prioritization of leakage in municipal water systems. This is a mission essential step towards the effective management of any major water distribution systems.

Initially targeting the leakage from large water mains, through which all distribution system water flows, once the condition/integrity of large water mains is established one can begin to consider the integrity of **branch lines** using large data set analysis methods. For example, by determining whether the slope of the water loss is proportional to the flow in a branch line, etc. This opens up the possibility of extending leak detection throughout all major distribution system lines.

Clearly, something real and effective has to be done to address these problems. As the noted management authority Peter Drucker repeatedly emphasized, "If you can't measure it, you can't manage it" and



8. Also see the **NOTE** of Page 13 of Appendix 4, a white paper on pipeline leak detection, regarding the importance of the configuration of calibration systems for leak detection systems. Through the thoughtful planning and usage of the calibration system, improvements in the confirmable detectability levels of leakage can be improved by one order of magnitude, opening the possibility of eventual detection of "background leaks" and/or "unreported leaks" long before they emerge as clearly visible / catastrophic "reported leaks".

9. See Appendix 4, Pages 10 - 11.

Let us now assume that the establishment of a low uncertainty large water flow calibration facility results in only a 5% reduction in the aforementioned 2016 California statewide water loss of \$131,522,263. ***The resulting water savings would be equivalent to \$6,576,113 per year. This savings per year is already significantly more than the initial cost for the establishment of the calibration facility plus annual operational costs of \$3-5 million and \$300K-500K, respectively.¹⁰ Note that this is a recurring annual savings, and with the further improvement of measurement and further minimization of leakage due to calibration, said savings of \$6.5 million/year will only continue to grow. Note furthermore that these are direct cost savings, and do not include minimization of losses due to potential loss of economic development due to water unavailability, crop losses, etc.***

Several years ago, in a private conversation during the Pipeline Safety Trust's annual meeting on pipeline safety issues, the Environmental Defense Fund's Vice President Mark Brownstein made QUANTUM DYNAMICS aware of EDF's concern about water losses, commenting that the magnitude of leakage was much greater than that experienced in the petrochemical industries — and that said ongoing/continuous losses had potentially greater societal implications.

Additionally, in conversations with authorities regarding *petrochemical / natural gas* pipeline leak detection, several state authorities pointed out the seriousness of water losses, e.g. New Mexico's Secretary of Energy Joanna Prukop pointed out that Albuquerque has an estimated 30% loss from its municipal water system — in a state with extreme water shortages — and that said continuous/ongoing losses were considered as having potentially more serious consequences for the state's economic development than losses from its natural gas transmission system.

In December 2018, the CEO of the United States largest investor owned water utility, commented on the failing state of the country's water infrastructure:

"44% of all U.S. water infrastructure is near the end of life or failing and within the next ten years will be out of life. Over 20% that we have treated, we put in pipes and it just leaks."¹¹

This means that over 20% of water supply costs are simply wasted. Such high levels of loss are not acceptable from the fiscal management, nor logistical, nor environmental points of view.

QUANTUM DYNAMICS, a small Southern California "boutique" aerospace flow metrology research and development organization,

- + The *only* supplier of flow metrology systems that is a US Defense Logistics Agency "Certified Quality Vendor" and US Navy "Quality / Best Value Contractor";
- + The supplier of the world's *de facto* standard flow measurement systems for military and civilian jet engine test stands;¹²
- + Due to military/aerospace standardization, the world's largest supplier of flow transfer standards, those ultra-high precision flow systems used to calibrate conventional flow sensors;
- + A recognized supplier of flow measurement systems for compressible gas **pipeline leak detection**;¹³

10. Costs for the initial construction and commissioning of the low uncertainty large flow calibration facility are estimated to be \$3-5 million, depending on what is currently available on site, degree of desired automation, etc. After the initial establishment of the facility, subsequent annual operational costs would be approximately \$300K-500K, depending on calibration volume.

11. Susan Story, CEO of American Water, on Fox Business, December 12, 2018, 6:14, www.youtube.com/watch?v=yOi-WGxwh1xU

12. This is significant since the selection of a jet engine for entire fleets of aircraft is commonly based on specific fuel consumption advantages as small as 0.1%.

13. *Pipeline Rules of Thumb Handbook*, Gulf Publishing (Houston), 1998, pp. 457-458, 481-483.

Note that the detection of leakage in pipelines for compressible media is a considerably more difficult problem than the detection of leaks in (relatively) incompressible liquid media systems, such as water. See Appendix 4.

- + The organization whose flow instrumentation controlled all **Apollo mid-course corrections and lunar landings**, as well as the **Apollo 13 rescue trajectory** — unbeknownst to the television viewing public the most widely viewed instances of precision mission essential flow measurement and control in history;
- + The organization that designed and supplied the "man rated" water flow measurement systems that control the heat transfer from the hot sunny side of the International Space Station to the cold dark side for heat dissipation, keeping the ISS habitable;
- + The organization that supplied the heavy water and tritium gas flow measurement/accounting systems for the U.S. Department of Energy's nuclear materials production facilities;
- + The organization that designed a large natural gas flow calibration system that NIST deemed "would be a significant advancement in natural gas flow measurement";¹⁴

wishes to contribute to the solution of the water measurement and audit problem, as the *necessary first step* towards eventual municipal water distribution pipeline leak detection, location, and prioritization.

The necessary first step on the long path towards a reliable and efficient water distribution system is the fundamental ability to accurately calibrate large municipal meters with high resolution: without the ability to accurately quantify flow, no real improvement can be made in water audits and no real progress made towards early detection, location, and prioritization of leakage. The sooner that such calibration is possible, the sooner the fiscal benefits will begin to accrue — and the less expensive the the facility will be.

NOTE

As a proven and long time military/aerospace supplier/contractor for critical flow metrology systems, QUANTUM DYNAMICS considers the establishment of a low uncertainty, high-precision water flow calibration facility as absolutely essential to the improvement of water distribution systems, for without same there can be no truly meaningful **water audits**, nor the possibility of **detecting/locating/prioritizing leakage** at low/remediable levels in water distribution systems. These are key elements of the **effective management** of any municipal water distribution system.

Falling back to nomenclature used in military/aerospace programs, the large water flow calibration facility is deemed **mission essential** and/or **mission critical** to the efficient management of the reliable and accountable supply of water to the population.

Using the California Department of Water Resource's own estimate of the potentially recoverable water, we have calculated that only a 5% savings in California's annual water losses is equivalent to \$6,576,113 per year. EPA estimates that up to 75% of losses are recoverable.¹⁵ If, over the course of years, improved measurement and the resulting improved ability to detect leakage results in any water recovery even remotely approaching, say, even 50%, then the argument for the establishment of a large water flow calibration facility becomes absolutely irrefutable.

14. See Appendix 5. This is again a much more difficult undertaking that the design of liquid flow calibration systems, due not only to the compressibility of natural gas, but also due to its varying composition, affecting its compressibility factor Z, its speed of sound W, density as a function of pressure and temperature, etc.

15. *Water Audits and Water Loss Control for Public Water Systems*, www.epa.gov/sites/production/files/2015-04/documents/epa816f13002.pdf.

More precise water measurement provides the ability to detect smaller leaks sooner, and therewith the ability to make inexpensive repairs before major failures/leaks occur. This prevents long term water loss.

Distribution side reduction and efficient management of water losses is the most efficient and economic way of reducing water losses from distribution systems.

The absolutely most basic necessity / prerequisite for accurate flow measurement is highly accurate, low uncertainty calibration. This is a basic rule of quality management.

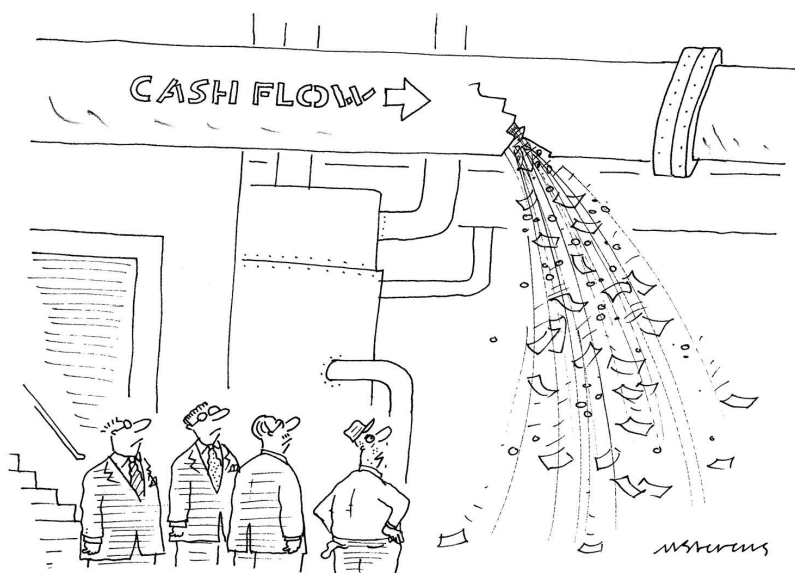
NOTE FOR WATER POLICY MAKERS

The fact that no similar efforts have been made thus far towards significantly improved measurement and the consequent rigorous on-line determination of water distribution system leakage appears to indicate a lack of technological and managerial awareness — and possibly lethargy — that many mid-level managers of water distribution display.

California statutes and executive orders — and water scarcity — clearly REQUIRE that accurate water audits be performed, with the goal of quantifying, detecting, prioritizing, and minimizing water loss/leakage — with the ultimate goal of conserving/maximizing our precious water supply.

Especially given the legal, auditing, fiscal, operational, and water and energy saving consequences of the proposed water calibration facility — which economic analysis demonstrates would literally pay for itself within months — it would seem to be the only logical way forward for a responsible water utility.

We are therefore requesting the the careful and thoughtful review of this matter by cognizant water policy makers — and that some real action finally be taken to insure long term societal flourishing and, indeed, existential survival.



"Well, gentlemen, there's your problem."

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