



CITY OF PACIFIC GROVE

AGENDA REPORT

TO: Honorable Mayor and Members of City Council
FROM: Daniel Gho, Public Works Superintendent
MEETING DATE: July 15, 2015
SUBJECT: Amendment to an Existing Agreement with Brezack & Associates Planning for Continued Support for the Local Water Project
CEQA: This Action does not constitute a "Project" under the California Environmental Quality Act (CEQA) Section 15378

RECOMMENDATION

Approve a resolution authorizing the City Manager to execute an amendment to an existing agreement with Brezack & Associates Planning for an additional \$95,000.

BACKGROUND

California American Water (Cal-Am), the franchise water purveyor to Pacific Grove and the Monterey Peninsula region, has actively pursued a new water supply project for many years in order to reduce its withdrawals from the Carmel River Aquifer and Seaside Groundwater Basin. In 2009, the State Water Resources Control Board (SWRCB) adopted Board Order WR 2009-0060, also known as the Cease and Desist Order (CDO). The CDO sets a timeframe for Cal-Am to reduce its pumping from the Carmel River to their legal limits by the end of 2016. The Seaside Groundwater Basin has been adjudicated and also contains a schedule for reduction of pumping from this water source.

In October 2012, the City of Pacific Grove responded to CPUC Administrative Law Judge Weatherford's invitation for public participation proposals in Proceeding A1204019 by developing and submittal of the Pacific Grove Local Water Project (LWP). The LWP proposes a non-potable recycled water supply project to produce 125 acre-feet per year (AFY) to meet irrigation needs on the Pacific Grove Golf Links, El Carmelo Cemetery, and other uses. The LWP will therefore reduce potable water demands on the Cal-Am system by the same amount.

Given the CPUC schedule delays and other factors, Cal-Am does not expect its project will be operational within the timeframe required by the SWRCB CDO. Projects like the LWP may help to avoid water rationing and other draconian measures detrimental to public health and safety; such measures would severely impact the local economy. It is believed the LWP can and should proceed ahead of Cal-Am's proposed project, especially given the current drought and long-range plans of water supply shortage.

DISCUSSION

The LWP consists of the construction of a sewer diversion structure, a 0.25 million gallons per day (mgd) Satellite Recycled Water Treatment Plant (SRWTP), waste pump station and force

main, recycled water pump station, approximately 0.5 miles of small diameter recycled water pipeline to convey recycled water to customer sites, customer connections and onsite retrofits. The recommended proposed project would produce approximately 125 acre-feet per year (AFY) of recycled water mostly to the City of Pacific Grove Golf Links and El Carmelo Cemetery. The predominant use of recycled water would be landscape irrigation.

To continue to move the project forward the City Council, at its March 18, 2015 meeting, approved an amendment to the existing agreement with Brezack & Associates to complete key activities in FY 14/15 in the amount of \$35,000.00 for work that is estimated to be completed by June 30, 2015. The scope of those services included:

- Development, facilitation, review and evaluation of the Statement of Qualifications and recommendations for the selection of the short-listed design-build entities.
- Development for the formal request for proposals which will be provided to the short-listed design build entities.
- Facilitate a detailed pre-submittal meeting and job walk for the request for proposals.
- Review and provide answers to the request for proposals
- Continued activities associated with the California Coastal Development Permit.
- Continued efforts associated with the securing of the State Revolving Fund Loan and Grant Application.

In addition to the previously approved amendment, on May 6, 2015 the City Council approved an amendment to have Brezack and Associates Planning prepare a Supplemental Environmental Impact Report (SEIR) to accompany the Final Environmental Impact Report that was certified by City Council at their November 19, 2014 meeting.

Currently the City irrigates its Municipal Golf Course and El Carmelo Cemetery with potable water purchased from California American Water Company. When operational, the PGLWP will result in the creation of 125 AFY of new recycled water that in turn will create 125 AFY of “in-lieu” potable water that can otherwise benefit the Peninsula and its environment. The Monterey Peninsula Water Management District (MPWMD) has collaborated with the City and requested the preparation of the SEIR for the evaluation of water connection permits to the City for the new in-lieu water supply.

The SEIR will support review by the California Public Utilities Commission (CPUC) of any requested made by CalAm to enable reuse of potable water saved by reason of irrigation with recycled water from the Project.

The SEIR would be used to support any finding that the project and the cumulative impacts of potable water use do not adversely affect the environment.

The infill development that may result from the in-lieu water supply is dependent on reuse of water saved by the City that could potentially have a greater environmental effect under the cumulative impacts analysis (and potentially traffic and utilities, cultural resources and services impacts) than was analyzed in the LWP EIR.

The Draft SEIR is currently circulating and available for review. It is anticipated that a Public Hearing to Certify the Draft SEIR will be before City Council at an August City Council Meeting.

Assuming the Council approves a contract with a Design-Build entity (currently scheduled for August 5), staff and expert consultant time will be necessary to move the project forward. Brezack and Associates Planning is uniquely qualified to augment staff, in order to provide these additional services, as we do not have all of the required expertise on staff. Those services include, but are not limited to:

- Completion of negotiations with the Design-Build Entities
- City support for the recommended selection
- Serve as City's representative to coordinate with D-B team
 - Project plan & design review
 - CEQA Mitigated Measure requirements
 - Regulatory permit compliance
 - State Revolving Loan Funds implementation requirement's
 - Oversight assistance to the City on construction, testing and start-up

In addition to the tasks noted above, if certification of the SEIR or further SEIR evaluation or coordination is required beyond August, 2015, all fees associated with these actions will be available under this amendment.

FISCAL IMPACT

These additional services are normal and have been planned for. Funds in the amount of \$95,000 for the recommended contract amendment are available in the Fund 1 Division 126 and are budgeted for Fiscal Year 15/16. Once the SRF loan has been finalized all soft costs associated with the Local Water project will be charged towards the SRF loan.

ATTACHMENTS

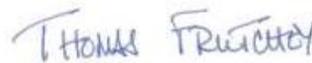
1. Resolution: Brezack and Associates Planning contract amendment

RESPECTFULLY SUBMITTED:

REVIEWED BY:



Daniel Gho
Public Works Superintendent



Thomas Frutchey
City Manager

RESOLUTION NO. 15-xxx
RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE
AUTHORIZING THE CITY MANGER TO AMEND AN EXISTING AGREEMENT
WITH BREZACK AND ASSOCIATES PLANNING FOR CONTINUED PLANNING,
ENGINEERING AND TECHNICAL SUPPORT SERVICES FOR THE PACIFIC
GROVE LOCAL WATER PROJECT FOR AN ADDITIONAL AMOUNT
NOT TO EXCEED \$35,000

FINDINGS

1. On October 1, 2012, the City of Pacific Grove submitted a public participation proposal to the California Public Utilities Commission (CPUC) for the Cal-Am MPWSP through the implementation of one or more small water projects, as authorized by the City Council in Resolution No. 12-067.
2. The Pacific Grove Local Water Project is a non-potable recycled water supply project of 125 acre-feet per year (AFY) to meet irrigation needs on the Pacific Grove Golf Links, El Carmelo Cemetery, and other uses, reducing potable water demands on the CalAm system.
3. Given the CPUC's schedule delays and other factors, CalAm does not expect to have its project in place within the timeframe of the SWRCB CDO.
4. Small projects like the PGLWP may help to avoid water rationing and other draconian measures that would be detrimental to public health and safety as well as severely impact the local economy.
5. The City has continued development of this project with the assistance of Brezack and Associates Planning (BAP) and funding from the SWRCB in the form of a Facilities Planning Grant (FPG). The FPG Plan of Study was approved by the SWRCB in March 2013, and the grant agreement executed in May 2013.
6. BAP has initiated the required environmental review process called CEQA-Plus. The CEQA-Plus process includes requirements under National Environmental Protection Act (NEPA), to be prepared because the SRF includes Federal funding.
7. The Final Environmental Impact Report was certified for the Local Water Project in November of 2014.
8. The purpose of this amendment is to continue to move the project forward:
 - Completion of negotiations with Design- Build Entities
 - City support for recommended selection
 - Serve as City's representative to coordinate with D-B team
 - Project plan & design review
 - CEQA Mitigated Measure requirements
 - Regulatory permit compliance
 - State Revolving Loan Funds implementation requirement's

- Oversight assistance to the City on construction, testing and start-up
9. In addition to the task noted above, if certification of the SEIR or further SEIR evaluation or coordination is required beyond August, 2015, all fees associated with these actions will be available under this amendment.
 10. Funds in the amount of \$95,000 for the recommended contract amendment are available in the Fund 1, Division 126 Local Water Project, as approved in the Fiscal Year 2015/16 budget
 11. Estimated completion of work for Amendment #8 is June 30, 2016.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE:

1. The Council determines that each of the Findings set forth above is true and correct, and by this reference incorporates those Findings as an integral part of this Resolution.
2. The Council authorizes the City Manager to execute an amendment to an existing agreement with Brezack and Associates Planning for Continued Planning, Engineering and Technical Support Services for the Pacific Grove Local Water Project in amount of \$95,000.
3. This Resolution shall become effective immediately following passage and adoption thereof.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE
this 15th day of July, 2015, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

BILL KAMPE, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

DAVID C. LAREDO, City Attorney