



Staff Report

File #: 24-0209

**REQUEST FOR CITY COUNCIL AND
CORONA UTILITY AUTHORITY ACTION**

DATE: 03/20/2024

TO: Honorable Mayor and City Council Members
Honorable President and Board Members

FROM: Utilities Department

SUBJECT:
FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH GHD, INC. FOR WATER TREATMENT SYSTEMS DESIGN

EXECUTIVE SUMMARY:

This staff report asks the City Council to approve a First Amendment with GHD, Inc. for Water Treatment Systems Design to increase compensation and extend contract term and ratify the previously approved City Council action. The amendment will allow the City to complete design of the chemical containment building for the Glen Ivy treatment system so the Glen Ivy wells can be returned to service.

RECOMMENDED ACTION:

That the City Council:

- a. Approve the First Amendment to the Professional Services Agreement with GHD, Inc. for Water Treatment Systems Design to increase the compensation by \$310,000 and extend the contract term through June 30, 2026.
- b. Authorize the City Manager, or his designee, to execute the First Amendment with GHD, Inc., in the amount of \$560,000, including any non-substantive extensions, change orders, purchase orders, and amendments up to the amount authorized by Corona Municipal Code [Section 3.08.070\(I\)](#), which is equivalent to 10% or \$56,000.

That the Corona Utility Authority review, ratify, and to the extent necessary, direct the City Council to take the above actions.

BACKGROUND & HISTORY:

The Utilities Department operates three potable wells in the Glen Ivy area in the Bedford-Coldwater Basin pumping an average of 2,024-acre feet each year. On or about March 2018, the State Water Resources Control Board (SWRCB) made a determination that these wells were designated as "groundwater under direct influence" (GWUDI) of surface water and water from these wells required additional treatment to be deemed "potable." As a result, the staff immediately stopped pumping water from these wells.

In the summer of 2022, SWRCB informed the City that it needs to achieve at minimum 4-log virus inactivation, 3-log giardia removal, and 2-log cryptosporidium removal to use the water from the three Glen Ivy wells. As a result, the City approached its on-call engineering firms for a treatment system design quote that would enable the wells to achieve this requirement from the SWRCB. One of the on-call engineering firms, GHD, Inc. (GHD), provided a proposal of \$360,168, for the required engineering services to design a treatment system at the Glen Ivy site for construction. The proposal included project management, CEQA Categorical Exemption, 30% designs, and 100% designs.

The City Council had originally awarded GHD a Professional Services Agreement for Water Treatment Systems Design (Water Treatment Agreement) on June 19, 2019, in the amount of \$250,000 per year through June 30, 2024, as part of a Request for Proposals (RFP) 19-016CA for On-Call Engineering and Professional Services Contracts. At the same time, the City Council awarded a separate Professional Services Agreement for Water Reclamation Systems Design to GHD (Water Reclamation Agreement).

In order to have enough funds for the design work the City needed GHD to perform for the Glen Ivy Treatment system design, on August 16, 2023, the City Council approved a Second Amendment with GHD to increase compensation by \$210,000, bringing the total compensation amount to \$460,000. However, this Second Amendment as approved by City Council erroneously amended the Water Reclamation Agreement rather than the Water Treatment Agreement as intended.

ANALYSIS:

Utilities Department staff contacted GHD to prepare a technical memorandum regarding alternative analysis for continued use of this water under the Water Treatment Systems Design agreement awarded by City Council on June 19, 2019. Utilities Department staff also worked with SWRCB staff to confirm treatment requirements; the City will need to install surface water treatment to achieve at minimum 4-log virus inactivation, 3-log giardia removal, and 2-log cryptosporidium removal.

GHD provided an original proposal of \$360,168, for the required engineering services to design a treatment system at the Glen Ivy site for construction. The proposal included project management, CEQA Categorical Exemption, 30% designs, and 100% designs. To facilitate this design effort, on August 16, 2023, staff recommended, and City Council approved a Second Amendment with GHD, Inc. to increase compensation by \$210,000 and reaffirm the term through June 30, 2024. However, this Second Amendment as approved by City Council erroneously amended the Water Reclamation Agreement rather than the Water Treatment Agreement as intended.

During a site walk at the facility with the engineering team, it was discovered that the existing chemical containment shed at these wells is in disrepair and requires replacement. Because this site is located in Glen Ivy, far from the Utilities Department headquarters, and because there is a history of vandalism in this area, chemicals must be stored in a secure facility. To ensure the facility meets all current engineering requirements and provides the security it needs, the City requested that GHD also include a chemical containment building design in its Scope of Work. GHD provided a quote of \$199,850 to perform the additional design work, which includes shovel-ready drawings and an environmental review.

Therefore, staff recommends that the City Council approve the First Amendment to the Water Treatment Agreement, which will: (1) rescind the erroneous Second Amendment to the Water Reclamation Agreement; (2) ratify the Council’s action on August 16, 2023, for the \$210,000 increase in compensation for the Water Treatment Agreement; (3) extend the term to June 30, 2026; and (4) increase the compensation by an additional \$100,000 for a total of \$560,000 to cover chemical containment building design work that is not covered by the previously authorized \$210,000.

FINANCIAL IMPACT:

Funding for the recommended action is available in the Glen Ivy Water Treatment Plant Capital Improvement Project No. UT-2023-15 within the Water Utility Fund (570). The cost summary is provided in the table below.

GHD Costs

Proposal	\$360,168
Amendment for Building Design	\$199,850
<i>Total Needed</i>	<i>\$560,018</i>

Authorized Agreement Totals

Original Contract	\$250,000/yr
Amendment (8/16/23)	\$210,000
Proposed Amendment (3/20/24)	\$100,000
<i>Amended Contract Amount</i>	<i>\$560,000</i>

ENVIRONMENTAL ANALYSIS:

These actions are exempt from the California Environmental Quality Action (CEQA), as the actions are not a “project” as defined by CEQA (PRC Section 21065 and CEQA Guidelines Section 15378), guidelines which define a “project” as the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or reasonable foreseeable indirect physical change in the environment, and that is an activity directly undertaken by any public agency including public works construction and related activities. These actions involve the approval of an amendment to a professional services agreement to extend the term and increase the compensation. Therefore, no environmental analysis is required at this time. After approval of the recommended actions herein, staff will proceed with the design and environmental document phase of this project.

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Any applicable environmental review and associated documentation will be completed at that time.

PREPARED BY: KATIE HOCKETT, ASSISTANT DIRECTOR OF UTILITIES

REVIEWED BY: TOM MOODY, DIRECTOR OF UTILITIES

Attachments:

1. Exhibit 1 - First Amendment for Water Treatment Systems Design
2. Exhibit 2 - Professional Services Agreement for Water Treatment Systems Design