



Staff Report

File #: 21-1092

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

DATE: 12/01/2021

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

FROM: Public Works Department & Utilities Department

SUBJECT:

Reimbursement Agreement for the City to retrofit City-owned utilities to accommodate the construction of the Prado Dam Spillway Project.

EXECUTIVE SUMMARY:

City Council and Corona Utility Authority consideration for the approval of a Reimbursement Agreement between the City and Orange County Flood District (District) for the District to pay costs incurred by the City to retrofit, protect, or relocate utilities that the Prado Dam Spillway Project will impact.

RECOMMENDED ACTION:

That the:

- a. City Council approve and authorize the City Manager, or his designee, to execute the Reimbursement Agreement between the City of Corona and the Orange County Flood Control District for the County to pay costs incurred by the City to retrofit, protect, or relocate utilities that will be impacted by the Prado Dam Spillway Project, and to execute the finalized Reimbursement Agreement, by December 31, 2021, which incorporates any modifications deemed necessary by the City Attorney and the District.
- b. City Council authorize the creation of a new Capital Improvement Project titled "Prado Dam Flood Inundation Utility Retrofit."
- c. City Council authorize an appropriation and estimated revenue increase in the amount of \$44,081 within the Water Utility Grant/Agreement Fund 571 and \$164,673 within the Water Reclamation Utility Grant/Agreement Fund 573; in the newly created Capital Improvement

Project titled "Prado Dam Flood Inundation Utility Retrofit."

- d. City Council authorize an estimated revenue increase in the amount of \$181,160 in the Reclaimed Water Utility Fund 567 for upfront payment to cover potential damages to the River Reclaimed Water Flow Control Station in the event of future flooding damage.
- e. City Council approve and authorize the City Manager, or his designee, to execute change orders in the amount of 25% increase from the initial cost estimate provided that such increase shall not exceed an aggregate sum of one million dollars (\$1,000,000) as stipulated in the "Reconciliation" section of the Reimbursement Agreement.
- f. City Council approve and authorize the Finance Director to prepare, process, and modify all necessary budgetary transactions related to the appropriation of reimbursement funds as stipulated in the "Payment" and "Reconciliation" section of the Reimbursement Agreement.
- g. Corona Utility Authority review, ratify, and to the extent necessary, direct the City Council to take the above actions.

BACKGROUND & HISTORY:

The United States Congress authorized the US Army Corps of Engineers (Corps) in the Water Resources Development Act of 1976 to address flood control issues in the Santa Ana River drainage. The Corps completed studies in 1980 and 1986 which led to authorization by Congress to construct a variety of flood control improvements in the Santa Ana River basin, one of which is a project to raise the spillway at Prado Dam by 10 feet from elevation 556 feet above mean sea level (MSL) to elevation 566 feet MSL to increase water storage capacity behind Prado Dam from 217,000 acre-ft to 362,000 acre-ft. The US Army Corps of Engineers, with Orange County Flood Control District as the local sponsor, will commence the construction of the Prado Dam Spillway Project in Summer 2022.

Construction of the Project will enable the Corps to increase the impoundment of water at Prado Dam for flood control protection downstream of Prado Dam, but the higher spillway elevation creates the potential to flood previously protected areas within the Temescal Wash in Corona and the Santa Ana River in Norco between the elevations of 556 feet and 566 feet MSL. Orange County Public Works and the Corps contacted the City to determine the impact to existing City utilities if flooding to the new spillway elevation were to occur. The Corps requires the implementation of mitigation measures to relocate or protect in place public utilities within the additional area subject to flooding after construction of the Project. City staff has identified City-owned water, reclaimed water, and sewer facilities within the new flood zone that will need to be relocated or protected in place. County and the Corps have concurred with the mitigation measures proposed by the City and have agreed to reimburse the City for costs incurred to relocate or protect City utilities. The Corps desires to complete the agreement by December 31, 2021, and certify that the retrofit work for the affected utilities has been completed before the Project commences on July 1, 2022.

ANALYSIS:

The City prepared exhibits showing the impacts of potential future flooding to City-owned potable water, reclaimed water, and sewer facilities within the 556 to 566-foot MSL elevations, including

proposed mitigation measures. The most extensive utility retrofit work will involve the replacement of (21) twenty-one unsealed sewer manhole lids and frames with sealed lids and frames.

Hatches, manholes, and electrical equipment pads at the existing Stagecoach sewer lift station are at an approximate elevation of 565 feet MSL and would be affected if water reaches the top of the spillway elevation. City staff proposes to construct an 18-inch high concrete curb along Stagecoach Drive adjacent to the lift station and in the planted median between the curb and sidewalk to protect the lift station.

The reclaimed water flow control station located on the west side of River Road near the intersection of Bluff Street and River Road in Norco would be subject to flooding from the Santa Ana River but is proposed to remain in place. Staff considered the alternative to relocate the flow control station to a higher elevation on the east side of River Road on City of Norco property and concluded the estimated relocation cost of more than \$700,000 was excessive and that replacement of electrical equipment would be a more economical option if flooding were ever to occur. The City will receive from the District an upfront one-time reimbursement to pay for the estimated cost of electrical equipment damages that could result from a single future flood event.

Other retrofit work will include raising (3) three potable water air/vacuum valves by one foot in their existing locations and relocating (1) one reclaimed water air/vacuum valve approximately 200 feet to a new location above the flood inundation zone.

Request for Proposal (RFP) 21-057RH was advertised pursuant to Corona Municipal Code (CMC) 3.08.110 non-public projects formal bidding procedure requirements on March 3, 2021. The RFP was publicly solicited for contractors to submit a competitive proposal to perform on-call/emergency services on essential systems, which consist of potable water, reclaimed water, and wastewater infrastructure. The proposal closing date was March 24, 2021. The City received eight (8) proposals by the submission date of March 24. Among the eight contractors that submitted a proposal, the Utilities Department (UD) ranked Valverde Construction, Augustine General Engineering, and W.A. Rasic Construction Company as the top three candidates to receive a Maintenance/General Services Agreement (M/GSA). On June 2, 2021, City Council awarded an M/GSA in the amount of \$200,000 to each contractor, Valverde Construction, Augustine General Engineering, and W.A. Rasic Construction Company.

Purchasing Department and UD staff will review the existing on-call utilities maintenance contracts and determine if the existing on-call contractors are eligible to perform the proposed utility retrofit work. If the on-call contractors are determined to be eligible to perform the utility retrofit work, staff will recommend that City Council, in a subsequent City Council meeting, increase the contract value for the On-Call/Emergency Essential Systems Repair Services contract to the lowest responsible bidder among Valverde Construction, Augustine General Engineering, or W.A. Rasic Construction Company to perform the proposed flood inundation utility retrofit work.

FINANCIAL IMPACT:

Approval of the recommended actions will create a new Capital Improvement Project titled "Prado Dam Flood Inundation Utility Retrofit" and will result in an appropriation and estimated revenue

increase in the amount of \$44,081 in the Water Utility Grant/Agreement Fund 571 and in the amount of \$164,673 in the Water Reclamation Utility Grant/Agreement Fund 573. Estimated revenue in the Reclaimed Water Utility Fund 567 will increase by \$181,160 for the potential future repairs to the River Reclaimed Water Flow Control Station.

Construction Cost for Utility Protection, Relocation, and Replacement	\$167,003
Engineering, Administration, Labor Compliance, Contingency, Inspection (25%)..	\$41,751
Total Estimated Cost	\$208,754
<u>River Reclaimed Water Flow Control Station Upfront Payment</u>	<u>\$181,160</u>
Total Reimbursement Cost	\$389,914

Fund	07/01/21 Est. Working Capital	Budgeted Revenues/Sources	Budgeted Expenditures/Uses	Working Capital Impacts	06/30/22 Est. Working Capital
Reclaimed Water Utility Fund 567	\$0	\$4,991,115	(\$4,991,115)	Revenue Increase \$181,160	\$181,160
Water Utility Grant/Agreement Fund 571 [Note 1]	\$414,531	\$0	(\$1,260,365)	Appropriation (\$44,081) Revenue Increase \$44,081	(\$845,834)
Water Reclamation Utility Grant/Agreement Fund 573	\$0	\$0	\$0	Appropriation (\$164,673) Revenue Increase \$164,673	\$0

Note 1: Estimated negative ending position due to reimbursement expected in future years.

ENVIRONMENTAL ANALYSIS:

This action is categorically exempt pursuant to Section 15301(d) of the Guidelines for the California Environmental Quality Action (CEQA), which states that "Restoration or rehabilitation of deteriorated or damaged structures, facilities, or mechanical equipment to meet current standards of public health and safety unless it is determined that the damage was substantial and resulted from an environmental hazard such as earthquake, landslide, or flood" is therefore exempt from CEQA. This action involves repairs/rehabilitation to existing structures to meet the current standard of public health and safety and therefore is exempt from the requirements of CEQA. Therefore, no environmental analysis is required.

PREPARED BY: VERNON R. WEISMAN, P.E., DISTRICT ENGINEER

REVIEWED BY: SAVAT KHAMPHOU, PUBLIC WORKS DIRECTOR

Attachments:

1. Exhibit 1 - Final Reimbursement Agreement