



Agenda Report

File #: 18-2138

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

DATE: 10/17/2018

TO: Honorable Mayor and City Council Members

FROM: Public Works Department
Department of Water and Power

SUBJECT:

City Council and Corona Utility Authority consideration to authorize an appropriation reduction of \$75,000 from the Water Reclamation Utility Grant/Agreement Fund (Fund 573), authorize an appropriation in the amount of \$75,000 from the Water Reclamation Utility Fund (Fund 572); and authorize an appropriation in the amount of \$36,000 from the Reclaimed Water System Fund (Fund 567) to an existing Capital Improvement Project titled "Santa Ana River Trail Staging Area Sewer Extension Project."

RECOMMENDED ACTION:

That the:

1. City Council authorize an appropriation reduction of \$75,000 from the Water Reclamation Utility Grant/Agreement Fund (Fund 573) for an existing Capital Improvement Project titled "Santa Ana River Trail Staging Area Sewer Extension Project."
2. City Council authorize an appropriation of \$75,000 from the Water Reclamation Utility Fund (Fund 572) for an existing Capital Improvement Project titled "Santa Ana River Trail Staging Area Sewer Extension Project."
3. City Council authorize an appropriation of \$36,000 within the Reclaimed Water System Fund (Fund 567) for an existing Capital Improvement Project titled "Santa Ana River Trail Staging Area Sewer Extension Project."
4. Corona Utility Authority (CUA) review, ratify, and to the extent necessary, direct that the City Council take the above actions.

ANALYSIS:

The Water Resources Development Act of 1986, P.L. 99-662 authorized construction of certain flood control improvements on the Santa Ana River and Santiago Creek, California, which includes as a component thereof, improvements to the Prado Dam and Basin ("PRADO DAM"), the Phase II construction of the Auxiliary Embankment, and the addition of roughly 640 feet of length and about 25 feet of height onto an existing earth embankment. All improvements are within and adjacent to approximately 18.2 acres of land owned in fee title by the Orange County Flood Control District and within jurisdictional boundaries of the City of Corona. Due to the improvement project undertaken for PRADO DAM, Orange County Flood Control District required the relocation of cathodic protection equipment owned by the City and the addition of concrete encasement to protect existing reclaimed waterline and sewer pipe also owned by the City, hereinafter referred to as "PROJECT."

The Riverside County Regional Park and Open-Space District (DISTRICT) desired to include as part of the PROJECT, replacement of an existing City sewer manhole, and installation of a sewer stub and sewer line extension to serve a future DISTRICT facility to be located along the Santa Ana River Trail, as shown in Exhibit "A," attached hereto and by this reference incorporated herein, hereinafter referred to as "IMPROVEMENTS." DISTRICT provided the design plans, specifications and cost estimate for IMPROVEMENTS; and City 1) reviewed the plans for IMPROVEMENTS, and 2) performed all activities necessary to administer and implement the construction of IMPROVEMENTS as part of the PROJECT. Per the Funding Agreement, costs accrued by the City as a result of DISTRICT'S request to replace an existing City sewer manhole and install a sewer stub and sewer line extension to serve a future DISTRICT facility to be located along the Santa Ana River Trail, will be reimbursed by the DISTRICT including administration costs.

On November 15, 2017, City Council approved a funding agreement with the DISTRICT in the amount of \$320,000 to reimburse the City for the Santa Ana River Trail Staging Area Sewer Extension Project. On July 5, 2018, City Council authorized the contract award of the Santa Ana River Trail Staging Area Sewer Extension Project, No. 2017-31, to W.A. Rasic Construction Company, Inc. in the amount of \$248,800.00 (PO P20950). The PROJECT has since been constructed.

A change order is currently being processed in the amount of \$28,091.97 (11.28 percent contract increase) for the replacement of unidentified buried anodes, relocation of unidentified cathodic cables, replacement of rip-rap and additional reclaimed waterline concrete encasement. The contract was executed on July 5, 2018, prior to August 5, 2018, when the new Ordinance No. 3280 was adopted. Therefore, the contract is subject to the previous Ordinance No. 2790. In accordance with the previous ordinance for Municipal Code 3.08.060(j), "Dollar Limits and Change Orders or Amendments," the Department of Water and Power General Manager can sign change orders up to 15 percent. City Council authorization for this change order is therefore not required.

However, the original appropriation from Fund 567 for the reclaimed water improvements of the project was underestimated. The reclaimed water improvements included the encasement of the existing reclaimed waterline and cathodic protection of the reclaimed waterline steel casing. As such, the Capital Improvement Project (CIP 72460) requires an additional \$36,000 for reclaimed water expenses.

The cost estimate used to create the CIP budget overestimated the DISTRICT'S reimbursement contribution and underestimated the City's obligations for the sewer improvements. The sewer improvements include the encasement of the existing sewer main and cathodic protection of the

sewer main steel casing. Budget adjustments in the Water Reclamation Utility Fund and Water Reclamation Utility Grant/Agreement Fund are necessary to account for the revisions.

Santa Ana River Trail Staging Area Sewer Extension Project (CIP 72460)	Fund	Amount
Reclaimed Water System Fund (original funding)	567	\$21,000.00
Reclaimed water expenses (new appropriation)		+\$36,000.00
Total		\$57,000.00
Water Reclamation Utility Grant/Agreement Fund (original funding)*	573	\$320,000.00
Sewer improvements (reduce appropriation)		-\$75,000.00
Total		\$245,000.00
Water Reclamation Utility Fund (new appropriation)	572	+\$75,000.00
Original Funding Total		\$341,000.00
New Funding Total		\$377,000.00

*Revised from the July 5, 2018 Council Action.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

This project will achieve one of the City's six strategic plan goals of 1. Promote Public Safety; Objective C: Ensure adequate funding for investments and improvements in infrastructure that support public safety. Construction of this project will facilitate future construction of the Santa Ana River Trail facility.

FISCAL IMPACT:

The recommended actions will result in a budget reduction of \$75,000 from the Water Reclamation Utility Grant/Agreement Fund (Fund 573). Additionally, an appropriation of \$36,000 is recommended from the Reclaimed Water System Fund and an appropriation of \$75,000 from the Water Reclamation Utility Fund (Fund 572) to the Capital Improvement Project titled "Santa Ana River Trail Staging Area Sewer Extension" (CIP 72460) for reclaimed water expenses.

Fund	07/01/18 Est. Working Capital	Budgeted Revenues/ Sources	Budgeted Expenditures/ Uses	Working Capital Impacts	06/30/19 Est. Working Capital
Reclaimed Water System Fund (Fund 567)	\$-	\$5,470,222	(\$5,470,222)	(\$36,000) Appropriation +\$36,000 Loan from Fund 572 [See Note 1]	\$-
Water Reclamation Utility Fund (Fund 572)	\$49,514,119	\$32,625,184	(\$28,330,856)	(\$75,000) Appropriation (\$36,000) Loan to Fund 567 [See Note 1]	\$53,697,447
Water Reclamation Utility Grant/ Agreement Fund (Fund 573)	\$-	\$-	\$-	\$75,000 Reduce appropriation (continuing from prior year)	\$- [See Note 2]

[Note 1]: Loan from Water Reclamation Utility Fund to Reclaimed Water Utility Fund at fiscal year-end, if needed, based on actual expenditures.

[Note 2]: Ending working capital estimated to be \$0 as budget reduction reduces reimbursement amount budgeted in FY 2017-18.

With approval of the recommended transfer and appropriation, funding for the Santa Ana River Trail Staging Area Sewer Extension Project will be available in the Capital Improvement Project Budget as follows:

Account Name	Fund	Account	Amount
Reclaimed Water System Fund	567	72460	\$57,000.00
Water Reclamation Utility Fund	572	72460	\$75,000.00
Water Reclamation Utility Grant/Agreement Fund	573	72460	\$245,000.00
Total:			\$377,000.00

ENVIRONMENTAL ANALYSIS:

This action is exempt from CEQA requirements.

PREPARED BY: MAYRA CABRERA, UTILITY ENGINEER

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

REVIEWED BY: TOM KOPER, P.E., ASSISTANT PUBLIC WORKS DIRECTOR

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REVIEWED BY: NELSON D. NELSON, P.E., PUBLIC WORKS DIRECTOR

REVIEWED BY: TOM MOODY, GENERAL MANAGER

REVIEWED BY: KIM SITTON, FINANCE MANAGER

REVIEWED BY: CITA LONGSWORTH, PURCHASING MANAGER

REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: MICHELE NISSEN, ASSISTANT CITY MANAGER

SUBMITTED BY: DARRELL TALBERT, CITY MANAGER & EXECUTIVE DIRECTOR

Exhibit "A" - Improvements Plan