



Legislation Text

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

DATE: May 15, 2019

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

FROM: Public Works Department
Department of Water and Power

SUBJECT:

City Council and Corona Utility Authority consideration of an appropriation in the amount of \$17,000 from the General Fund, \$10,000 from the Reclaimed Water Utility Fund (Fund 567), \$41,000 from the Water Utility Fund (570), and \$40,000 from the Water Reclamation Utility Fund (572) to an existing Capital Improvement Project titled, "Grape Hill Telecommunications Tower No. 2."

RECOMMENDED ACTION:

That the:

1. City Council authorize an appropriation in the amount of \$17,000 from the General Fund, authorize an appropriation in the amount of \$10,000 from the Reclaimed Water Utility Fund (Fund 567), authorize an appropriation in the amount of \$41,000 from the Water Utility Fund (570), and authorize an appropriation in the amount of \$40,000 from the Water Reclamation Utility Fund (572) to an existing Capital Improvement Project titled, "Grape Hill Telecommunications Tower No. 2" (Project 72820).
2. Corona Utility Authority (CUA) review, ratify, and to the extent necessary direct that the City Council take the above actions.

ANALYSIS:

The City of Corona Department of Water and Power (DWP) utilizes a Supervisory Control and Data Acquisition (SCADA) system for its water, wastewater, reclaimed water, and electric operations. SCADA is a wireless communications system that enables the remote control and operation of various utility facilities throughout the City. The wireless network infrastructure used for SCADA is critical to DWP being able to provide safe and efficient utility services to the public by providing

remote monitoring of these systems.

DWP currently utilizes a communications tower in the northeastern part of the City known as the Grape Hill Telecommunications Tower. This existing tower, however, has reached its maximum capacity for radio infrastructure (currently at 96.7 percent capacity). It has become necessary to install a second communications tower at this site in order to continue to enhance the radio and wireless communications for DWP and also for other City departments, such as the Police and Fire Departments and Information Technology. Additionally, the County of Riverside has contacted the City with a need to install more equipment at the Grape Hill location in order to improve its radio communications in the McKinley area.

Based upon these needs, Department of Water and Power/Maintenance Services Department appropriated funds in Fiscal Year 2017-18 for the creation of Capital Improvement Project (CIP) 7282, titled the Grape Hill Telecommunications Tower No. 2 (Project). This is a multi-fund project, with funding coming from the General Fund as well as the Reclaimed Water, Water Reclamation, and Water Utility Funds. The original budget estimated for the Project was \$219,514. A release purchase order, RPO 181960, for the design and construction of the Project was issued on June 26, 2018, to Applied Technology Group (ATG) in the amount of \$183,102.19, based upon a previously awarded contract and ATG's past performance. However, there have been several changes to the scope of work which have resulted in the need to appropriate more funding to the Project.

A first change order was issued to ATG on July 5, 2018. The original quote provided by ATG incorrectly included sales tax on the soils report and site plan in the amount of \$709.90 (7.75 percent on \$9,160). Sales tax against the cost of the tower was omitted but should have been charged in the amount of \$6,528.60 (7.75 percent on \$84,240). This resulted in a net increase in the amount of \$5,818.70. A second change order in the amount of \$1,075.00 was processed on August 20, 2018, for additional work required for private utility line locating. A third change order in the amount of \$15,675.71 was processed on December 11, 2018, due to a requested design change. The Project scope was revised to increase the design of the tower size from 60-feet to 90-feet in anticipation of additional needed capacity. The constructed tower will only be 60-feet tall, but will have the ability to extend an additional 30-feet in the future if needed.

A fourth change order is now necessary for additional work required for the successful application and approval of a Conditional Use Permit (CUP) for the Project. The additional work will include detailed photo simulations depicting before and after conditions, as well as identifying potential visual impacts of the Project. Additionally, a full site plan must be completed that includes more detail than originally anticipated and a radio frequency propagation study must be prepared. The Public Works Department and DWP are requesting additional funds for the Project based on these increased costs and costs not originally anticipated. These costs are estimated at approximately \$108,000 and include CUP application fees, preparation of environmental impact documents, and construction management costs. The table below summarizes the increases and funding appropriations requested:

Fund	Budget	YTD Expend. (As of 3/12/2019)	Encumb.	Additional/ Increased Costs	Balance	Additional Funds Requested
General Fund (110)	\$36,000.00	\$11,405.29	\$23,460.87	\$17,973.50	(\$16,839.66)	\$17,000.00
Reclaimed Water Utility (567)	\$21,952.00	\$6,812.31	\$13,922.07	\$10,959.84	(\$9,742.22)	\$10,000.00
Water Utility (570)	\$80,781.00	\$25,861.65	\$55,063.94	\$40,331.05	(\$40,475.64)	\$41,000.00
Wastewater Utility (572)	\$80,781.00	\$24,016.30	\$56,138.94	\$40,331.05	(\$39,705.29)	\$40,000.00
Total	\$219,514.00	\$68,095.55	\$148,585.82	\$109,595.43	(\$106,762.81)	\$108,000.00

Staff recommends approval of the additional appropriation of funds in order to complete this Project.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

Not applicable.

FISCAL IMPACT:

Approval of the recommended action will appropriate additional funds in the amounts of \$17,000 from the General Fund, \$10,000 from the Reclaimed Water Utility Fund (Fund 567), \$41,000 from the Water Utility Fund (Fund 570), and \$40,000 from the Water Reclamation Utility Fund (Fund 572). Each fund has reserves necessary for the requested appropriation. Any unused funds will be returned to the appropriate fund balance upon completion of the Project, which is anticipated to be December 2019.

GENERAL FUND	
Budget Workshop May 23, 2018 - Estimated Revenue Over Expenditures	\$6,626,911
Previously approved budget adjustments (net)* - includes revised revenue projections as presented at the Study Session on March 26, 2019	<u>(5,771,421)</u>
Current Estimated Revenue Over Expenditures	855,490
Grape Hill - Appropriation	<u>(17,000)</u>
Revised Estimated Revenue Over Expenditures	\$838,490
Budget Balancing Measures Reserve - Actual 6/30/18	\$25,182,735
Estimated FY 2018-19 Change in Budget Balancing Measures	<u>838,490</u>
Budget Balancing Measures Reserve - Estimated Balance 06/30/19	\$26,021,225

* Approved through Council Action or other operational process.

Fund	07/01/18 Est. Working Capital	Budgeted Revenues/ Sources	Budgeted Expenditures/ Uses	Working Capital Impacts	06/30/19 Est. Working Capital
Reclaimed Water Utility Fund 567	\$0	\$5,470,222	(\$5,445,222)	(\$10,000) Appropriation	\$15,000
Water Utility Fund 570	\$8,250,694	\$54,053,213	(\$60,194,072)	(\$41,000) Appropriation	\$2,068,835
Water Reclamation Utility Fund 572	\$49,514,119	\$32,625,184	(\$28,441,856)	(\$40,000) Appropriation	\$53,657,447

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action, which merely authorizes an increase in funding for the project, is purely economic in nature and there is no possibility that this action will have a significant effect on the environment. Therefore, no environmental analysis is required. Any environmental analysis that may be required will be performed under a separate action for the project.

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

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SUBMITTED BY: MITCHELL LANSDELL, ACTING CITY MANAGER & EXECUTIVE DIRECTOR