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Title: Approval of a Purchase Agreement between Westervelt Ecological Services, LLC and the City of Fresno, for the purchase of wetland conservation credits from the Grasslands Mitigation Bank in the amount of \$153,000, in support of construction of a turnout/diversion facility associated with the Kings River Pipeline project, to be constructed in Fresno Irrigation District's Fresno Canal (Council District 5, County).

Sponsors: Department of Public Utilities

Indexes:

Code sections:

Attachments: 1. Purchase Agreement - Westervelt.pdf

Date	Ver.	Action By	Action	Result
5/19/2016	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

May 19, 2016

FROM: THOMAS C. ESQUEDA, Director
Department of Public Utilities

BY: MICHAEL CARBAJAL, Division Manager
Department of Public Utilities - Water Division

SUBJECT

Approval of a Purchase Agreement between Westervelt Ecological Services, LLC and the City of Fresno, for the purchase of wetland conservation credits from the Grasslands Mitigation Bank in the amount of \$153,000, in support of construction of a turnout/diversion facility associated with the Kings River Pipeline project, to be constructed in Fresno Irrigation District's Fresno Canal (Council District 5, County).

RECOMMENDATIONS

Staff recommends that City Council:

1. Approve the Purchase Agreement between Westervelt Ecological Services, LLC, and the City of Fresno, for the purchase of wetland conservation credits from the Grasslands Mitigation Bank in

the amount of \$153,000, in support of construction of a turnout/diversion facility associated with the Kings River Pipeline, to be constructed in Fresno Irrigation District's Fresno Canal.

2. Authorize the Director of Public Utilities, or his designee, to sign all documents on behalf of the City.

EXECUTIVE SUMMARY

The Department of Public Utilities seeks Council approval for a Purchase Agreement (PA) between Westervelt Ecological Services (Westervelt) and the City of Fresno (City) for purchase of wetland conservation credits from the Grasslands Mitigation Bank, in support of construction of a turnout/diversion facility associated with the Kings River Pipeline, to be constructed in Fresno Irrigation District's Fresno Canal. The PA between Westervelt and the City for the purchase of wetland conservation credits from the Grasslands Mitigation Bank is in accordance with the requirements outlined in the US Army Corps of Engineers Letter of Permission/404 Permit.

BACKGROUND

On February 26, 2015, the City Council adopted a five-year water utility rate plan to finance the construction of a five-year water capital plan totaling approximately \$429 million. The five-year capital plan included the construction of the Kings River Pipeline (KRP) to allow the City of Fresno (City) to more effectively use its existing Kings River water allocations by delivering water directly to the Southeast Surface Water Treatment Facility (SESWTF). The KRP is a 13-mile 72-inch diameter pipeline that will convey raw water for treatment from a diversion on the Fresno Canal No. 3 to the SESWTF. The diversion facility will be located near the intersection of Trimmer Springs Road and the Fresno Irrigation District (FID) Fresno Canal No. 3 about 3,800 feet downstream of the Fresno Canal No. 3 headgates on the Kings River. The SESWTF is located at the northwest corner of the intersection of Armstrong Avenue and Olive Avenue. Design of the project is complete, the bidding process has been finalized and the construction contract has been awarded to Garney Pacific Inc. This project including the wetland conservation credits will be funded through a State Revolving Fund Low-Interest Loan from the State Water Resources Control Board, as authorized to be accepted by the City Council on January 7, 2016, for the Kings River Pipeline construction project.

ENVIRONMENTAL FINDINGS

An Environmental Impact Report (EIR) was adopted by the Council on June 12, 2014, for this project. An analysis has been performed pursuant CEQA Guidelines §15162 to determine whether subsequent environmental review is required for the project. Based upon this analysis the following findings are made to support the determination that no subsequent environmental review is required:

1. No substantial changes are proposed in the project which will require major revisions of the previous Mitigated Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. In this case there are no changes to the project.
2. No substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous Mitigated Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. In this case, the proposed pipeline alignment has not

changed.

3. There is no new information, which was not known and could not have been known at the time of the previous Mitigated Negative Declaration that the project will have significant effect not discussed in the Mitigated Negative Declaration.

Furthermore, since an EIR was previously adopted for this Project, the considerations set forth in CEQA Guidelines §15162(a)(3)(C) and (D), related to the adequacy and feasibility of previously adopted mitigation measures, are not applicable. Based upon these findings, it has been determined that no further environmental documentation is required for this project.

LOCAL PREFERENCE

Local Preference was not considered because this action does not include a bid or an award of a City construction or services contract.

FISCAL IMPACT

There is no impact to the General Fund. This Purchase Agreement will utilize funding through the State Water Resource Control Board's State Revolving Fund Low Interest Loan Program for construction of the KRP. Appropriations are included in Water Division's FY 2016 Capital Improvement Program adopted budget as established by the Council Resolution for the 40th Amendment to the Annual Appropriation Resolution (AAR) No. 2015-104 in State Low Interest Loan Fund (40161) for the project. The loan repayments were included in the water rate model used to create the five-year utility rate plan that was adopted by the City Council on February 26, 2015.

Attachment:
Purchase Agreement