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Title: Actions pertaining to accepting a Groundwater Sustainability Grant from the State of California for removal of Perchloroethylene from Groundwater at Pump Stations PS 117 and PS 284 (Citywide):

1. Adopt findings of Class 1, Class 3, and Class 32 Categorical Exemptions pursuant to Sections 15301, 15303, and 15332 of the California Environmental Quality Act Guidelines
2. ***RESOLUTION - Authorizing entering into a Funding Agreement with the State Water Resources Control Board and Authorizing and Designating a Representative for the Groundwater Sustainability Grant Program for Funding Related to Perchloroethylene (PCE) groundwater cleanup project for water well Pump Stations PS 117 and PS 284 in the City of Fresno and authorizing the execution of documents (Subject to Mayor's Veto)
3. Approve a Third Amendment to Agreement for supplemental engineering services with Provost & Pritchard Engineering Group, Inc., in the amount of \$28,500

Sponsors: Department of Public Utilities

Indexes:

Code sections:

Attachments: 1. 2019-01-17 Attachment 1 - Resolution - Proposition 1 Groundwater Grant.pdf, 2. 2019-01-17 Attachment 2 - Prop 1 Groundwater Sustainability Grant.pdf, 3. 2019-01-17 Attachment 3 - Third Amendment.pdf

Date	Ver.	Action By	Action	Result
1/17/2019	1	City Council	approved as amended	Pass

REPORT TO THE CITY COUNCIL

January 17, 2019

FROM: MICHAEL CARBAJAL, Director
Department of Public Utilities

THROUGH: DEJAN PAVIC, Supervising Professional Engineer
Department of Public Utilities - Utilities Planning & Engineering

BY: MATTHEW L. BULLIS, Professional Engineer
Department of Public Utilities - Utilities Planning & Engineering

SUBJECT

Actions pertaining to accepting a Groundwater Sustainability Grant from the State of California for removal of Perchloroethylene from Groundwater at Pump Stations PS 117 and PS 284 (Citywide):

1. Adopt findings of Class 1, Class 3, and Class 32 Categorical Exemptions pursuant to

- Sections 15301, 15303, and 15332 of the California Environmental Quality Act Guidelines
2. ***RESOLUTION - Authorizing entering into a Funding Agreement with the State Water Resources Control Board and Authorizing and Designating a Representative for the Groundwater Sustainability Grant Program for Funding Related to Perchloroethylene (PCE) groundwater cleanup project for water well Pump Stations PS 117 and PS 284 in the City of Fresno and authorizing the execution of documents (Subject to Mayor's Veto)
 3. Approve a Third Amendment to Agreement for supplemental engineering services with Provost & Pritchard Engineering Group, Inc., in the amount of \$28,500

RECOMMENDATIONS

Staff recommends that City Council adopt findings of Class 1, Class 3, and Class 32 Categorical Exemptions pursuant to Sections 15301, 15303, and 15332 of the California Environmental Quality Act (CEQA) Guidelines for removal of Perchloroethylene (PCE) from groundwater at water wells Pump Station (PS) 117 and PS 284 (Project); adopt a Resolution authorizing entering into a Funding Agreement with the State Water Resources Control Board (SWRCB) for a Groundwater Sustainability Grant (Grant) in the amount of \$2,254,040; and approve a Third Amendment to Agreement with Provost & Pritchard Engineering Group, Inc. (Provost & Pritchard), in the amount of \$28,500 for supplemental engineering services related to Project design, feasibility studies, and general contract documents for PS 117 and PS 284 Wellhead Treatment Improvements, and authorize the Director of Public Utilities, or designee, to sign all documents on behalf of the City.

EXECUTIVE SUMMARY

The City has been awarded a Groundwater Sustainability Grant in the amount of \$2,254,040 by the SWRCB to fund a PCE Groundwater Feasibility Study (to provide engineering design) and construction of groundwater treatment system for PS 117 and PS 284 and associated interconnecting pipeline. The Project is needed to assess the feasibility of remediation of PCE impacted groundwater, to provide engineering plans for the removal of PCE from groundwater, and to provide for construction funding. The proposed Third Amendment to Agreement with Provost & Pritchard would direct \$28,500 of the awarded Grant funds to complete PCE related groundwater studies as requested by the State. The remaining Grant funds will subsequently be used to construct the well head treatment facility with a completion date of March 2021.

BACKGROUND

The Water Division maintains a network of approximately 260 municipal water supply wells that provide potable water to the community. Two City wells, PS 117 and PS 284 have elevated levels of PCE that exceed the State's drinking water standard. PCE is a colorless liquid solvent widely used for dry cleaning operations in the 1950's and 1960's and due to poor disposal practices has migrated to groundwater. This Project will procure feasibility studies from Provost & Pritchard, and then construct a common well head treatment facility at PS 117 to treat water from both PS 117 and PS 284 by constructing a connection pipeline between well sites.

On June 7, 2016, the City hired Provost & Pritchard to provide design of plans and general construction documents for PS 117 and PS 284 Wellhead Treatment Improvements for a total fee of \$262,473. Project plans are complete and ready for construction. On July 21, 2017, the City and Provost & Pritchard entered into a First Amendment to Agreement to increase various engineering design activities for an additional fee of \$65,946. On December 8, 2017, the City and Provost &

Pritchard entered into a Second Amendment to Agreement to extend the Agreement to October 31, 2018, to complete the Project.

On May 18, 2017, the City submitted an application to the SWRCB for a Groundwater Sustainability Grant which provides funding for programs associated with groundwater treatment. This program makes \$86 million available to develop and implement sustainable groundwater planning projects of which groundwater impacted with PCE qualifies for Grant funds.

On May 31, 2018, the City was approved by the SWRCB to receive a Groundwater Sustainability Grant in the amount of \$2,254,040. The SWRCB also determined that the City maintains a Disadvantaged Community status, which qualifies the City for the minimum 10% match obligation of \$250,450, and which may be credited for funds previously spent on this Project. Grant funding has been structured to offset selected costs the City incurred in development of the initial engineering design, to fund a PCE groundwater feasibility study, and to fund construction activities. The Funding Agreement for this Project has been approved as to form by the City Attorney's Office. Adoption of this resolution approving the Funding Agreement and identifying an individual authorized to execute agreements is necessary to proceed.

Provost & Pritchard was selected as the most qualified firm to provide the design engineering services for this Project. The proposed Third Amendment will utilize up to \$28,500 of the Grant funding to provide for groundwater Feasibility Study as requested and funded by the SWRCB through this Grant, for a total Provost & Pritchard contract value of \$356,919. All work related to the Third Amendment to Agreement will be completed within the work schedule established in the Grant.

ENVIRONMENTAL FINDINGS

Staff has performed a preliminary environmental assessment of this Project and has determined it falls within the Categorical Exemption for existing facilities set forth in section 15301 of the CEQA Guidelines because this Project will result in adding a wellhead treatment facility and pipeline between existing wells, which entails a negligible expansion of existing uses. It also falls within the Categorical Exemption set forth in section 15303 of the CEQA Guidelines for new construction or conversion of small structures because the footprint of the wellhead treatment facility is approximately 2400 square feet. Finally, the Project falls within the Categorical Exemption for infill development set forth in section 15332 of the CEQA Guidelines because this Project will result in a small structure within an existing urban setting in conformance with the adopted General Plan. Furthermore, none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, section 15300.2 apply to this Project.

FISCAL IMPACT

Acceptance of the Groundwater Sustainability Grant will not impact the General Fund. The majority of work activities will occur in the Fiscal Year 2020 budget cycle. Therefore, the Grant proceeds will be accounted for in next year's budget. Matching funds required for this Project will be appropriated from retained earnings within the Water Enterprise Fund (40101). The Grant eligible start date is May 31, 2018, which allows for reimbursement of costs that have occurred since this listed date.

Attachments:

Resolution - Proposition 1 Groundwater Grant (Attachment 1)

Prop 1 Groundwater Sustainability Grant (Attachment 2)

3rd Amendment to Agreement with Provost & Pritchard Engineering Group, Inc. (Attachment 3)