



Council Agenda Report

From: David LaCaro, Public Works Operations Manager

Subject: Approval of a Resolution Waiving Minor Bidding Irregularities and Awarding a Contract to Dave Spurr Excavating, Inc. for the Satellite Drainage Rehabilitation Project

The City has determined that the project will not result in any significant environmental impacts. In compliance with Section 21152 of the Public Resources Code, a Notice of Determination (NOD) was filed on September 17, 2024. A Negative Declaration was prepared pursuant to the California Environmental Quality Act (CEQA) and circulated for public and state agency review. The public comment period concluded on October 15, 2024, and the state agency review period ended on October 30, 2024. No comments were received regarding the project.

Date: September 16, 2025

Facts

1. Since 2005, the City has been regulated under the Statewide General Permit for Stormwater Discharges from Small Municipal Separate Storm Sewer Systems (Stormwater General Permit). In accordance with the permit, City staff conducts annual maintenance on high-priority drainage systems within City limits. During these routine activities, staff identified significant damage to the Satellite Drainage channel—damage that far exceeds the scope of regular maintenance.
2. Satellite Drainage is located along the northwest boundary of the Paso Robles Airport and flows north from Wing Way toward the Estrella River. The damaged section spans approximately 180 linear feet adjacent to the Coast Southwest Surfactants chemical facility.
3. On October 12, 2022, the City contracted with Diversified Project Services International, Inc. (DPSI) to develop 100% construction plans, technical specifications, and engineering cost estimates for the Satellite Drainage Rehabilitation Project. Because the project involves work within a natural waterway, environmental permits were required before construction could proceed. The City received the final design documents from DPSI on July 18, 2025.
4. To comply with regulatory requirements for work within a natural drainage channel, the City successfully secured all necessary environmental permits for the Satellite Drainage Rehabilitation Project. These include:
 - a. Section 401 Water Quality Certification from the Regional Water Quality Control Board, received on July 17, 2025;
 - b. Nationwide Permit from the U.S. Army Corps of Engineers, received on July 21, 2025; and
 - c. Lake and Streambed Alteration Agreement from the California Department of Fish and Wildlife, received on July 23, 2025.
5. On September 17, 2024, the City filed a Notice of Determination (NOD) in accordance with Section 21152 of the Public Resources Code. The NOD confirmed that the project would not result in any significant environmental impacts and that a Negative Declaration was prepared pursuant to the California Environmental Quality Act (CEQA). The public review period concluded on October 15, 2024, followed by the close of the state agency review period on October 30, 2024.

6. Staff advertised a Notice Inviting Bids for the project on July 24, 2025 and opened bids on August 28, 2025. The following bids were received:

Contractor Name	Bid Amount
Dave Spurr Excavating, Inc.	\$199,252.45
R. Burke Corporation	\$234,837.40
Anderw Brown General Engineering	\$236,491.00
Hartzell General Engineering	\$252,864.07
Bruce Keis	\$257,446.32
Rob Reynolds Construction	\$346,849.39

7. The City found that Dave Spurr Excavating, Inc. was the lowest responsive and responsible bidder in the amount of \$199,252.45. However, during staff's review of the bid submitted by Dave Spurr Excavating, Inc., a minor irregularity was identified. The issue was corrected in accordance with the bid instructions, is considered immaterial in nature, and does not affect the integrity of the competitive bidding process or otherwise confer a competitive advantage to Dave Spurr Excavating, Inc. In accordance with the City's bid documents and applicable legal standards, staff recommends waiving this immaterial irregularity and proceeding with contract award to Dave Spurr Excavating, Inc.

Options

1. Take no action;
2. Award a contract for the Satellite Drainage Rehabilitation Project in the amount of \$199,252.45 to Dave Spurr Excavation, Inc.; or
3. Provide alternative direction to staff.

Analysis and Conclusions

In accordance with the Statewide Stormwater General Permit, the City is required to perform annual maintenance on priority drainage systems within its jurisdiction. During routine inspections, staff identified significant damage to the Satellite Drainage channel, primarily caused by recent high-intensity storm events. These storms produced excessive water velocity, resulting in severe scouring and bank erosion. The extent of the damage exceeds the scope of routine maintenance and necessitates a full rehabilitation effort.

Satellite Drainage runs directly behind the Coast Southwest Surfactants chemical facility, where the erosion has become critically severe. The channel bank has eroded to within two feet of the foundation supporting a process wastewater tank. This tank serves as a secondary containment system for processed wash water generated during surfactant production. Continued degradation poses a substantial threat to private infrastructure and carries the risk of an environmental catastrophe should the tank become undermined or fail. In the event of a severe storm before repairs are complete, uncontrolled discharge of contaminated water could reach the Salinas River, resulting in widespread ecological damage, regulatory violations, and liability exposure for both the City and the facility operator.

Recognizing these risks, the City has moved expeditiously to initiate corrective measures. Diversified Project Services International, Inc. (DPSI) was retained to prepare full construction plans, technical specifications, and engineering estimates for the rehabilitation of the drainage channel. The proposed improvements include recontouring the drainageway, reconstructing and stabilizing the eroded bank, installing rock slope protection (RSP) along the banks and channel, and constructing multiple check dam structures to reduce water velocity and minimize future erosion. Restoration efforts will also include

hydroseeding of disturbed areas and the planting of willow stakes to enhance long-term ecological health and stabilize the channel.

The permitting process required extensive coordination and took nearly one year to complete. Securing these permits ensures that construction activities comply with state and federal environmental protection standards. Permit conditions include specific measures to safeguard water quality, protect existing habitat, and implement restoration elements that will benefit the ecosystem once construction is complete. Notably, the City is required to conduct a three-year mitigation monitoring program to verify that installed vegetation establishes successfully and provides habitat value for native wildlife. This long-term commitment not only fulfills regulatory obligations but also enhances the ecological function of the drainageway.

The project is critical to prevent further erosion, protect adjacent infrastructure, and avoid a potential environmental release to the Salinas River. The need for repairs stems from major storm events that generated high water velocities, leading to severe bank erosion. The proposed improvements aim to restore drainage functionality, reduce water velocity, and protect the adjacent roadway, private property, and critical infrastructure. Moving forward will not only stabilize and restore the channel but also ensure compliance with environmental permits and provide long-term habitat improvements.

Fiscal Impact

The total cost to complete the Satellite Drainage Rehabilitation Project is \$199,252.45. The City's Capital Improvement Program budget included this project since FY 2022-23 and as such, no further actions are needed.

CEQA

The City finds that this project will not have any significant effects on the environment. The City filed a Notice of Determination (NOD), on September 17, 2024, in compliance with Section 21152 of the Public Resource Code. A Negative Declaration was prepared pursuant to the provisions of CEQA and was circulated for public and state agency review. Final review for the public ended on October 15, 2024, and ended for state agencies on October 30, 2024. No comments about this project were received.

Recommendation

Approve Resolution 25-XXX, awarding a contract for the Satellite Drainage Rehabilitation Project to Dave Spurr Excavating, inc. in the amount of \$199, 252.45 and authorize the City Manager to execute the contract subject to any minor, technical or non-substantive changes as approved by the City Manager and City Attorney.

Attachments

1. Resolution 25-XXX – Satellite Drainage Rehabilitation Project
2. Bid – Dave Spurr Excavating, Inc.