



Council Agenda Report

From: Matt Thompson, Wastewater Resources Manager

Subject: Award of Construction Contract for Salinas River Segment of Recycled Water Distribution System

CEQA Determination: The City prepared an Initial Study and Mitigated Negative Declaration (IS/MND) and circulated it for public comment (State Clearinghouse #2018051033). The City certified the IS/MND and filed a Notice of Determination on August 24, 2018. This action is consistent with the previously certified MND.

Date: February 21, 2023

Facts

1. The City is developing a recycled water system, to provide an alternative water supply for irrigation of parks, vineyards, and golf courses on the east side of the City. Recycled water will help preserve the City's potable water supplies and supplement the Paso Robles Groundwater Basin.
2. The City completed construction of tertiary treatment facilities at the Wastewater Treatment Plant (WWTP) in 2019. These facilities produce high-quality recycled water. In order to deliver the recycled water to users, the City has planned and designed a Recycled Water Distribution System. The City is very close to securing a low-interest State loan and major grant for construction. Portions of the Recycled Water Distribution System have already been constructed, in conjunction with new development or other City projects. The Recycled Water Distribution System is identified as a critical project in the Groundwater Sustainability Plan for the Paso Robles Groundwater Basin.
3. In 2022, the City received a \$3.5 million grant from the State of California Department of Water Resources (DWR) for construction of the Salinas River Segment of the Recycled Water Distribution System.
4. The Salinas River Segment is one of the most important and difficult to construct parts of the Recycled Water Distribution System. The Salinas River Segment is 1,900 lineal feet of 24 inches diameter pipeline linking the City's WWTP on the west side of the river to a newly installed segment of recycled water pipeline in the River Oaks neighborhood on the east side of the river. Installation will require a 680-foot-long horizontal directional drilling operation under the river and construction on the steep hillside above North River Road.
5. Carollo Engineers is the Engineer-of-Record for the Recycled Water Distribution System. In June 2022, City Council [approved hiring Carollo for engineering services for the Salinas River Segment](#).
6. In November 2022, City Council [approved hiring Cannon for professional construction management services for the Salinas River Segment](#).
7. In December 2022, the City advertised the Salinas River Segment for construction bids.
8. The City opened sealed bids for the Salinas River Segment in public on February 2, 2023, with the following results:

Bidder:	Bid Amount:
Mountain Cascade	\$3,664,525
Whitaker Construction	\$4,334,236
Raminha Construction	\$4,579,660
Specialty Construction	\$4,740,142

9. During the bidding period, the steep hillside above North River Road where the new pipeline will be installed eroded as a result of the heavy rainfall on and around January 9. The City retained a geotechnical engineer to reevaluate the design of the pipeline segment going up the hillside, to ensure

the pipeline will remain stable and not be damaged by further erosion. The geotechnical engineer confirmed the existing pipeline design is adequate but recommended adding an anchored mesh system to the surface of the hillside, to better hold up the surface soil around the pipeline.

10. A rough cost estimate for installation of an anchored mesh system is \$330,000. The anchored mesh system may be added to the proposed construction contract as a change order.

Options

1. Take no action;
2. Award a contract and authorize the City Manager to enter into an agreement with Mountain Cascade for construction of the Salinas River Segment of the Recycled Water Distribution system, for an amount up to \$3,664,525; and authorize the City Manager to proceed with design and negotiate a change order with Mountain Cascade for installation of an anchored mesh system for an amount up to \$330,000.
3. Provide alternative direction to staff.

Analysis and Conclusions

The bid submitted by Mountain Cascade is responsive and responsible. Mountain Cascade submitted the required certifications and bid security and has selected qualified subcontractors and suppliers. It would be in the City's best interest to award the construction contract for the Salinas River Segment of the Recycled Water Distribution System to Mountain Cascade. This action would be consistent with the City Council's established goals to enhance existing infrastructure and prepare for community growth.

If City Council awards the construction contract to Mountain Cascade, the City Manager may then enter into an agreement for construction. Staff will then notify Mountain Cascade to proceed with construction, likely in mid-Spring, depending on the actual lead time for procurement of pipe material. Construction will take approximately 12 months. The project should be substantially complete by Summer 2024.

Fiscal Impact

The total cost of the construction contract is \$3,664,525, plus an already known change order of \$330,000, for a total of \$3,994,525. Most of the proposed construction cost will be offset by the \$3.5 million DWR grant; the remaining costs (in excess of the grant amount) will be paid by the City's Sewer Enterprise Fund reserves initially, and potentially included as part of the overall State Revolving Fund loan program when the rest of the line is constructed.

CEQA Determination

The City has fulfilled the requirements of the California Environmental Quality Act for the Recycled Water Distribution System project. The City prepared an Initial Study and Mitigated Negative Declaration (IS/MND) and circulated it for public comment (State Clearinghouse #2018051033). The City certified the IS/MND and filed a Notice of Determination on August 24, 2018.

Recommendation (Option 2)

Approve Resolution 23-XXX, to award a contract and authorize the City Manager to enter into an agreement with Mountain Cascade for construction of the Salinas River Segment of the Recycled Water Distribution system, for an amount up to \$3,664,525; and authorize the City Manager to proceed with design and negotiate a change order with Mountain Cascade for installation of an anchored mesh system for an amount up to \$330,000.

Attachments

1. Resolution 23-XXX