

Heber Public Utility District Board of Directors

MEETING DATE: May 15, 2014

FROM: Laura Fischer, General Manager

SUBJECT: Authorization to Include the Wastewater Treatment Plant Tertiary Treatment Process Project in an application for SB 104 Drought Funds.

ISSUE:

Shall the Heber Public Utility Board of Directors authorize the inclusion of the Wastewater Treatment Plant Tertiary Treatment Process Project in an application for SB 104 Drought Funds?

GENERAL MANAGER RECOMMENDATION:

Authorize the Wastewater Treatment Plant Tertiary Treatment Process Project to be included in an application for SB 104 Drought Funds.

FISCAL IMPACT:

The cost to submit the application to IRWMP for review by their consultant is a fair share of up to \$10,000. Each application submitted for review would have an equal share in this costs. These fund will not be recoverable so the maximum amount HPUD would be committing is \$10,000, but as several agencies have expressed interest in submitting an application the costs will most likely be around \$3,000.

The cost to submit the grant application is estimated at approximately \$32,000. This would be shared between the agencies that have projects included in the application. If the grant is approved and the project funded, then the agency can apply to get their contribution reimbursed.

BACKGROUND:

During the last round of Proposition 84 funding, the HPUD Board authorized staff to include a project in the Imperial Regional Water Management Plan application. That application was not approved and the Imperial Valley Region did not receive any money from the State Prop 84 funds. This application would be submitted through the same process with the Imperial Regional Water Management Plan.

On January 17, 2014, Governor Edmund G. Brown proclaimed a Drought State of Emergency and on March 1, 2014, Governor Brown signed legislation to assist drought-affected communities and provide funding to better use local water supplies. The Governor and Legislature have directed DWR to expedite the solicitation and award of \$200 million (of the \$472.5 million) in IRWM funding to support projects and programs that provide immediate regional drought preparedness, increase local water supply reliability and the

delivery of safe drinking water, assist water suppliers and regions to implement conservation programs and measures that are not locally cost-effective, and/or reduce water quality conflicts or ecosystem conflicts created by the drought. The Colorado River Region, of which the Imperial Regional Water Management Plan is a part, is allocated \$36 million. Once again, the IRWMP would be competing for a share of the \$36M for projects in our region.

According to SB 104, which funds the grant, the money is expedited drought relief funding and is applicable to projects that “provide immediate regional drought preparedness, increase local water supply reliability and delivery of safe drinking water, assist water suppliers and regions to implement observation programs and measures that are not locally cost-effective, or reduce water quality conflicts or ecosystem conflicts created by the drought.

DISCUSSION

HPUD has an agreement with ORMAT to sell them all of our wastewater effluent. They may be interested in sharing some of the application, design and engineering costs. If the Board desires to move this project forward I will contact them to see if they will agree to reimburse HPUD for any costs.

The HPUD Engineer is working on a cost estimate for this project and I should have some additional information at the meeting.

CONCLUSION

Staff feels that the Wastewater recycling project is viable and we should be considered for funding. The fact that we have an agreement with ORMAT and may have a private partner to help offset the upfront costs improves our scoring criteria.

Staff recommends authorizing the submittal of the Wastewater Treatment Plant Tertiary Treatment Process Project in an application for SB 104 Drought Funds.

Respectfully Submitted,

Laura Fischer, General Manager

Attachment: GEI Proposal to prepare grant application

April 22, 2014



Geotechnical
Environmental
Water Resources
Ecological

Marlene D. Best
City Manager
City of Imperial
420 South Imperial Ave.
Imperial, California 92251
Submitted via email mbest@cityofimperial.org

Subject: Proposal to Provide IRWMP Update and Grant Writing Services

Ms. Marlene Best:

This letter responds to your request for a simple proposal to provide professional engineering services to position the Imperial Integrated Regional Water Management (IRWM) Region to secure grant funding under the final two rounds of Proposition 84. An initial drought response application period is expected to commence by June 1st, with the second more general application period commencing in early 2015. A total of \$16 million is available in the Colorado River funding region, of which all, part, or none might be awarded in the expedited first round.

GEI Consultants has prepared ten IRWMPs, including the Imperial IRWMP, and has secured over \$100 million in grant funding for our clients. Our proposed team would be led by Jon Goetz, who is developing the San Luis Obispo IRWMP and was key to the completion of the Imperial IRWMP. Melissa Cansdale, who has contributed to several IRWMPs and Proposition 84 grant applications, will assist Mr. Goetz. The work effort will be overseen by Mark Williamson, a GEI principal who has authored three IRWM Plans and numerous successful grant applications (including Proposition 84 grant awards in the Colorado River funding region) and managed the completion of the Imperial IRWMP.

Four initial tasks have been identified:

1. Ensure the Imperial IRWM Plan conforms to the latest DWR standards

The Imperial IRWMP was completed in August 2012 and adopted by the Imperial Water Forum in October 2012 under the then-current DWR IRWM Planning guidelines. New guidelines were published in November 2012, and draft guidelines for the expedited drought grant round were released in April 2014. This task will be to map the new guidelines to the adopted Imperial IRWMP, and identify any deficiencies. GEI proposes to perform this task with approximately 40 hours of labor at our standard rates (attached) at a cost not to exceed \$10,000.

2. Make changes to the IRWM Plan as needed to conform to the new guidelines.

This task will be performed if any changes are identified in Task 1. Such changes are not expected to be substantial, nor are they expected to require re-adoption of the Plan by sponsoring agencies.

Ms. Marlene Best, City Manager
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The scope and cost of this task will be determined from the result of Task 1, and input from DWR based on IID's requested review of the current plan per Appendix H of the November 2012 Guidelines. A separate proposal will be provided based on those results.

3. Assist the City of Imperial in soliciting grant-ready projects and selecting the most viable for inclusion in the early drought response grant application.

A number of projects were identified in the Imperial IRWMP development process, and several of these were included in a previous application. We have assumed the City of Imperial will be the lead agency in preparation of the grant application. For this task, GEI will assist the City in identifying near-"shovel-ready" projects that meet the State requirements of the expedited drought grant round. We will assist in contacting Imperial IRWMP stakeholders to solicit projects, review submitted project materials, and provide a written recommendation on projects to be included in the application. We propose to complete this work with approximately 60 labor hours at a cost not to exceed \$15,000. This work must be completed by June 1st.

4. Preparation of the expedited drought response grant application.

Assuming one or more projects are recommended in Task 3 and confirmed by the City, GEI would produce an application under the expedited drought response round. A separate cost proposal will be prepared for this work, and will depend on the number of projects, their complexity and readiness of supporting materials (plans, specifications, environmental documentation, economic analysis, etc.) The cost for this task is not presently known, but a poll by the IRWMP Roundtable of Regions suggests the cost of Proposition 84 grant applications has averaged around \$32,000 per project.

Please contact Mark Williamson at 916/631-4559 or Jon Goetz at 916/631-4521 with any questions or comments.

Respectfully submitted,

GEI CONSULTANTS, INC.



Mark S. Williamson, PE
Vice President

Jonathan Goetz, PE
Project Manager

Attachments

GEI 2014 Standard Rate Sheet

FEE SCHEDULE

<u>Personnel Category</u>	<u>Hourly Billing Rate</u> \$ per hour
Staff Professional – Grade 1	\$ 101
Staff Professional – Grade 2	\$ 111
Project Professional – Grade 3	\$ 122
Project Professional – Grade 4	\$ 137
Senior Professional – Grade 5	\$ 162
Senior Professional – Grade 6	\$ 184
Senior Professional – Grade 7	\$ 218
Senior Consultant – Grade 8	\$ 246
Senior Consultant – Grade 9	\$ 303
Senior Principal – Grade 10	\$ 303

Senior CADD Drafter and Designer	\$ 122
CADD Drafter / Designer and Senior Technician	\$ 111
Technician, Word Processor, Administrative Staff	\$ 91
Office Aide	\$ 71

These rates are billed for both regular and overtime hours in all categories.

Rates will increase up to 5% annually, at GEI's option, for all contracts that extend beyond twelve (12) months after the date of the contract.

OTHER PROJECT COSTS

Subconsultants, Subcontractors and Other Project Expenses - All costs for subconsultants, subcontractors and other project expenses will be billed at cost plus a 15% service charge. Examples of such expenses ordinarily charged to projects are subcontractors; subconsultants: chemical laboratory charges; rented or leased field and laboratory equipment; outside printing and reproduction; communications and mailing charges; reproduction expenses; shipping costs for samples and equipment; disposal of samples; rental vehicles; fares for travel on public carriers; special fees for insurance certificates, permits, licenses, etc.; fees for restoration of paving or land due to field exploration, etc.; state sales and use taxes and state taxes on GEI fees.

Billing Rates for Specialized Technical Computer Programs – Computer usage for specialized technical programs will be billed at a flat rate of \$10.00 per hour in addition to the labor required to operate the computer.

Field and Laboratory Equipment Billing Rates – GEI-owned field and laboratory equipment such as pumps, sampling equipment, monitoring instrumentation, field density equipment, portable gas chromatographs, etc. will be billed at a daily, weekly, or monthly rate, as needed for the project. Expendable supplies are billed at a unit rate.

Transportation and Subsistence - Automobile expenses for GEI or employee owned cars will be charged at the rate per mile set by the Internal Revenue Service for tax purposes plus tolls and parking charges or at a day rate negotiated for each project. When required for a project, four-wheel drive vehicles owned by GEI or the employees will be billed at a daily rate appropriate for those vehicles. Per diem living costs for personnel on assignment away from their home office will be negotiated for each project.

PAYMENT TERMS

Invoices will be submitted monthly or upon completion of a specified scope of service, as described in the accompanying contract (proposal, project, or agreement document that is signed and dated by GEI and CLIENT).

Payment is due upon receipt of the invoice. Interest will accrue at the rate of 1% of the invoice amount per month, for amounts that remain unpaid more than 30 days after the invoice date. All payments will be made by either check or electronic transfer to the address specified by GEI and will include reference to GEI's invoice number.