

**Agenda Item:** {{section.number}}B

January 22, 2025

**TO: THE BOARD OF DIRECTORS**

Laura Roughton, President  
Fauzia Rizvi, Vice President  
Brenda Dennstedt, Secretary-Treasurer  
Gracie Torres  
Mike Gardner

**FROM:** Craig D. Miller, P.E., General Manager

**APPROVE A BUDGET INCREASE AND AWARD A CONSTRUCTION CONTRACT FOR THE WELL 7 DISCHARGE PIPELINE PROJECT (W-296C), AND AWARD A PROFESSIONAL SERVICES CONTRACT FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES FOR BOTH THE WELL 7 EQUIPPING AND DISCHARGE PIPELINE PROJECTS (W-296B AND W-296C)**

**RECOMMENDATION:**

The Engineering, Operations, and Water Resources Committee and Staff recommend the Board of Directors:

1. Increase the budget of the SARCCUP Non-Potable Well 7 Project by \$2,000,000 from \$5,100,000 to \$7,100,000 for the Well 7 Equipping and Pipeline Design project by utilizing amounts in next year's Board adopted Fiscal Year 2025-2026 Capital Improvement and Facilities Plan under the System Improvement Reserve RES04 of the Riverside Non-Potable Fund 21; and
2. Award a construction contract for the Project, in the amount of \$1,189,410 to Kirtley Construction, Inc., doing business as TK Construction, San Bernardino, California for the construction of the project; and
3. Award a professional services contract for the Project, in the amount of \$459,901 to LEE & RO, City of Commerce, California for construction management and inspection services.

**EXECUTIVE SUMMARY:**

Developing local groundwater from the Riverside Basin is important to increasing water supply reliability for Western Municipal Water District's Riverside Retail Area and reduce dependence on imported water supplies from the Colorado River. The intent of this new groundwater production well project is to diversify the supply portfolio with local groundwater. Considering the significant water supply challenges on the Colorado River, this new well will provide local supply reliability as it is expected to deliver 1,000 to 2,000 acre-feet per year of groundwater to the non-potable system. The Well 7 Project is funded with Proposition 84 grant funds which are expected to cover up to \$7.1 million of eligible project costs.

**BUDGET IMPACT:**

Following anticipated approval of the associated Well 7 Equipping Project (W-296B) by the Board of Directors, the Fiscal Year 2025-2026 Board-adopted Capital Improvement and Facilities Plan will have \$3,500,000 remaining for this project under System Improvement Reserve RES04 of the Riverside Non-Potable Water Fund 21. Bringing forward the proposed \$2,000,000 capital budget increase into this fiscal year results in the overall SARCCUP Non-Potable Well 7 Project budget increasing from \$5,100,000 to \$7,100,000.

Western Municipal Water District has secured Proposition 84 grant funding for this project, and others, through the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP). The estimated total grant funding available for the Non-potable Well 7 Project has been recently updated to \$7,100,000 based on the activities of the other funded projects. At completion of the Non-Potable Well 7 Project, all eligible expenses, land purchase, design and construction, will be submitted to the granting agency for reimbursement. The final grant amount is dependent on review by the grant agency. We anticipate 100 percent reimbursement of all eligible expenses.

**DETAIL:**

Developing local groundwater resources is important to increasing water supply reliability and reducing dependence on the Colorado River for non-potable customers within Western Municipal Water District's (Western Water) Riverside Retail Area. The intent of this new groundwater production well project is to diversify the supply portfolio with local groundwater. Considering the significant water supply challenges on the Colorado River, this new well will provide local supply reliability to Western Water's retail non-potable customers. Non-potable water is used for irrigation of trees, shrubs, and fields at schools and parks, irrigation of agriculture, and for nurseries that grow climate appropriate materials for distribution to the public through the big box home improvement stores.

The site of the well is within the Riverside-Arlington Groundwater Basin as identified in the State of California's Bulletin 118. Well drilling and testing has been completed verifying an available production rate of 1,500 GPM. Depending on customer demand, this non-potable well is expected to deliver 1,000 to 2,000 acre-feet per year of groundwater to Western Water's non-potable system.

The ideal location for the Well 7 location was identified in an unused corner of the parking lot of the Magnolia Presbyterian Church located at 7200 Magnolia Avenue, in Riverside. The Church is supportive of the project and willing to sell the small plot of needed land to Western Water as there are minimal impacts to the Church. In addition, a 20-foot-wide pipeline construction and maintenance easement will be secured to connect Well 7 to a new future pipeline in Magnolia Avenue. Nearby electrical services and existing Riverside Public Utility (RPU) easements provide ready availability of power to the well site.

**Construction Contract:**

Staff advertised the construction of the Well 7 Pipeline Design Project (Project) for public bidding on November 1, 2024. The Engineer's opinion of probable cost was \$1,080,233. Five bids were opened on November 21, 2024. At bid opening, the bid from Kirtley Construction, doing business as (DBA) TK Construction, San Bernardino, CA, indicating a total bid price of \$1,189,410, was the apparent low bid. A detailed review of the bids by the design engineer, MKN & Associates, and staff (Attachments 1 and 2) verified the bid as conforming to requirements and as the lowest responsible and responsive bid. The ranking table below presents the bid amounts received.

CONSTRUCTION CONTRACTOR	BID AMOUNT	RANK
<b>Kirtley Construction, Inc. dba TK Construction, San Bernardino</b>	<b>\$ 1,189,410.00</b>	<b>1</b>
Dominguez General Eng, Pomona	\$ 1,228,154.00	2
Merlin Johnson Construction, Mentone	\$ 1,267,130.00	3
Big Bem Inc., Irvine	\$ 1,385,563.00	4
Hemet Manufacturing Co., Inc. dba Genesis Construction, Hemet	\$ 1,418,741.00	5

**Construction Management and Inspection Services:**

Western Water issued a Request for Proposal for construction management and inspection services for the Well 7 Equipping and Discharge Pipeline projects (Specification Nos W-296B and W-296C) on November 15, 2024. Seven proposals were received on December 5, 2024, and subsequently evaluated. A listing of the ranked proposals is provided in the table below.

<b>Construction Management Services</b>	
<b>Consultant</b>	<b>Rank</b>
LEE & RO, City of Commerce	1
Valley CM, City of Encinitas	2
Anser Advisory, Irvine	3
Michael Baker International, Temecula	4
TKE, Lake Elsinore	5
Kane, North Hollywood	6
CPM Partners, Encinitas	6 (tied)

A four-member panel of Western staff evaluated the proposals based on the following criteria:

1. Understanding of the work to be performed (25%)
2. Approach to the Project (30%)
3. Experience and Technical Competence (30%)
4. proposed level of effort (15%)

After evaluating each proposal based on the criteria described above, and fee negotiation based on the required level of effort for this project and current market conditions, staff concluded a \$459,901 fee to be reasonable. As such, staff recommends awarding the construction management and inspection services contract to LEE & RO in the amount of \$459,901. LEE & RO's proposal and their negotiated fee can be found in Attachment 3.

The prior Board authorizations for the Project provided a budget of \$5,100,000. The proposed Project budget for continuation of the Well 7 project through construction of the W-296C discharge Pipeline Project, completion of the Well 7 project, is outlined in the table below.

<b>Construction of Discharge Pipeline</b>		
Pipeline Construction	TK Construction, San Bernardino, CA	\$1,189,410
Construction Management and Inspection Services (W-296B & W-296C)	LEE & RO, City of Commerce, CA	\$459,901
Western Staff Support (Engineering and Operations)		\$170,000
Sub-Total		\$1,819,311
Contingencies (10%)		\$180,689
<b>Discharge Pipeline Request</b>		<b>\$2,000,000</b>
Well 7 Prior Board Authorizations		\$5,100,000*
<b>Total Request for Well 7 Efforts</b>		<b>\$7,100,000</b>

\*At today's Committee and/or Board of Directors Meeting, a separate request for construction activities for the W-296B Well 7 Equipping Project (W-296B) preceded the discharge pipeline request. The value of \$5,100,000 assumes approval of the separate, but related, request.

Reason for Action:

Board authorization is required to increase the Project budget and award a construction contract for this Project.

Solution:

Authorize a Project budget increase as noted above and authorize the General Manager to execute the necessary contracts listed in the Recommendation Section of this staff report.

**STRATEGIC PRIORITIES REFERENCE:**

This action aligns with Western Water's Strategic Priorities of Resource Management and Superior Service.

**LEGAL COUNSEL REVIEW:**

Not applicable.

Respectfully submitted by:

Craig D. Miller, P.E., General Manager

Attachments:

1. Engineer's Bid Review Letter
2. Engineer's Bid Analysis
3. Construction Management Services Fee Proposal
4. Vicinity Map