

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

November 20, 2024

**TO: THE BOARD OF DIRECTORS**

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

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

**APPROVE A PROJECT BUDGET INCREASE, AWARD THREE CONTRACTS, AND ALLOCATE FUNDS FOR TRIBAL MONITORING FOR THE JEFFERSON AVENUE INTERCONNECTION PROJECT (W-317)**

**RECOMMENDATION:**

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

1. Approve a budget increase of \$8,000,000 from \$710,000 to \$8,710,000 for the Jefferson Avenue Improvements (W-317) Project (Project) by amending the Board adopted Capital Improvement and Facilities Plan for Fiscal Year 2024-2025 by \$7,200,000 from \$800,000 to \$8,000,000 under Added Facility Charge Reserve RES01 of the Murrietta Water Fund 23;
2. Award a construction contract for the Project, in the amount of \$5,464,428 to Big Ben Engineering of Irvine, California for construction of the project;
3. Award a professional services contract for the Project, in the amount of \$908,320 to Ardurra Group, Inc. (Ardurra) of El Segundo, CA for construction management and inspection services;
4. Award a professional services contract with Rincon Consultants, Inc. (Rincon) for the Project in the amount of \$300,000 for Environmental Monitoring during construction; and
5. Approve a budget allocation to the Pechanga Tribe of Indians for Tribal Monitoring during construction in the amount of \$80,000.

**EXECUTIVE SUMMARY:**

The Jefferson Avenue Improvements will provide enhanced water reliability and additional supply flexibility for Western Municipal Water District's (Western Water) retail customers. This project will provide an additional water source connection with Rancho California Water District. This project is included in the Fiscal Year 2024-2025 and Fiscal Year 2025-2026 Capital Improvement Facilities Plan. Western recently completed an update to its Murrieta water and wastewater master plans in which it identified the various facilities needed to serve the community. Western Water staff requests approval of 1.) a contract with a construction contractor, 2.) a contract for construction management and inspection services, 3.) an amendment to a professional services contract for environmental monitoring and 4.) a budget allocation for tribal monitoring for a new water interconnection and pipeline along Jefferson Avenue in the City of Murrieta.

**BUDGET IMPACT:**

The proposed action of increasing the project budget by \$8,000,000 requires an amendment to increase the Board adopted Capital Improvement and Facilities Plan (CIFP) for Fiscal Year 2024-2025 by \$7,200,000 from \$800,000 to \$8,000,000 for the Jefferson Avenue Interconnection Project under Added Facility Charge Reserve RES01 of the Murrieta Water Fund 23. This can be accomplished through reclassing \$7,200,000 of CIFP from Fiscal Year 2025-2026 to Fiscal Year 2024-2025 as the Board adopted CIFP for Fiscal Years 2024-2025 and 2025-2026 include \$800,000 and \$7,200,000, respectively, for the Project.

The American Rescue Plan Act (ARPA) Funding received from the City of Murrieta in the amount of approximately \$4,100,000 will be used to offset infrastructure project costs. Any portion of infrastructure costs that are not covered by the contributed funds will be paid by property owners with frontage along the project's limits on Jefferson that voluntarily elect to connect to the Western Municipal Water District water system.

**DETAIL:**

On February 15, 2023 the Board authorized the General Manager to execute an Interagency Financial Contribution agreement with the City of Murrieta (City) for the use of American Rescue Plan Act (ARPA) funding to contribute toward Western's planning, design, and construction of water infrastructure within the boundaries of the City's Innovation Zone. The Innovation Zone is within Western Water's service area and contains both developed and undeveloped parcels. Certain developed parcels do not have municipal water or sewer service, relying instead on private well production, and septic systems. Western Water recently completed an update to its Murrieta water and wastewater master plans in which it identified the various facilities needed

to serve the Innovation Zone.

A separate agreement with Rancho California Water District (RCWD) was approved by Western Water's Board of Directors on June 15, 2022. This agreement established terms, conditions, and costs to deliver Western Water-supplied imported water through the adjacent RCWD system to Western Water customers within the Innovation Zone. The improvements will not connect to Western Water's existing system rather it will be a separate system with water being supplied by RCWD. The Murrieta Agreement (Attachment 3) identifies approximately \$1.85 million of the funds for the purchase of water system and storage capacity in the RCWD system. The Murrieta Agreement also commits the balance of the ARPA funds to water distribution facilities within the Innovation Zone and the necessary interconnections to RCWD's system as well as metering infrastructure and all appurtenances.

#### Award Contract for Environmental Monitoring

To assist in environmental monitoring during construction, staff recommends awarding a contract to Rincon Consultants, Inc. (Rincon). The amount will be based on actual monitoring needs and final amount may be less than \$300,000. Rincon's proposal and their fee can be found in Attachment 4.

#### Budget Allocation to Pechanga Indian Tribe

Western Water needs to contract with the Pechanga Indian Tribe for Tribal Monitoring in an amount of \$80,000. This will ensure Project meets the requirements of the environmental document. Pechanga's assistance will support our overall monitoring efforts.

#### Construction Contract:

Staff advertised the construction of the Jefferson Avenue Interconnection with Rancho Water (Specification No. W-317) Project for public bidding on September 12, 2024. Eleven bids were received and opened on October 3, 2024. All bids were reviewed, and Big Ben Engineering was found to have submitted the apparent responsive and responsible low bid of \$5,464,428 (Attachment 1). Of the eleven bids received, three bidders were deemed unresponsive due to their failure to include the required documentation related to the grant requirements, including one that was the lowest bid. As such, staff recommends awarding the construction contract to Big Ben Engineering. The ranking table below presents the bid amounts received.

Construction Contractor	Total	Rank
Big Ben Engineering	\$ 5,464,428	1
Weka Inc	\$ 6,155,000	2
EJ Meyer Co	\$ 6,688,888	3
CLL Contracting	\$ 6,771,860	4
SRK Engineering	\$ 6,895,000	5
JW Fowler	\$ 7,032,485	6
Dominguez General Eng	\$ 7,035,500	7
Nationwide Contracting	\$ 8,382,000	8
<b>Unresponsive bidders:</b>		
ACE All Cities En	\$ 5,417,150	
CHI Construction	\$ 6,241,550	
MNR Construction, Inc	\$ 6,486,880	

Construction Management Contract:

Western Water issued a Request for Proposal for construction management and inspection services for the Jefferson Avenue Interconnection with Rancho Water (Specification No W-317) Project on August 15, 2024. Twelve proposals were received on September 19, 2024, and subsequently evaluated. A listing of the ranked proposals is provided in the table below.

Construction Management Consultant	Rank
Ardurra Group, Inc.	1
Anser Advisory	2
Z&K Consultants, Inc.	3
Dudek	4
Valley Construction Management	5
Berg & Associates, Inc.	6
Lee & Ro, Inc.	7
GHD, Inc.	8
Murrow Development Consultants	9
TKE Engineering, Inc.	10
Onward Engineering	11
Southstar Engineering & Consulting, Inc.	12

A three-member panel of Western staff evaluated the proposal 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 the proposal based on the criteria described above, fee negotiation and based on the required level of effort for this project and current market conditions, staff concluded Ardurra's fee to be reasonable. As such, staff recommends awarding the construction management and inspection services contract to Ardurra in the amount of \$908,320, Ardurra's proposal and their fee can be found in Attachment 2.

The following tables outline the Project budget and funding sources.

<b>Design Budget</b>	
Previously Approved by Board on August 16, 2023	\$ 710,000
<b>Construction Budget</b>	
Big Ben Engineering	\$ 5,464,428
Contingency (10%)	\$ 546,443
<b>Construction Subtotal (A)</b>	<b>\$ 6,010,871</b>
<b>Construction Management &amp; Inspection Budget</b>	
Ardurra Group, Inc	\$ 908,320
Contingency (10%)	\$ 90,832
<b>CM Subtotal (B)</b>	<b>\$ 999,152</b>
<b>Monitoring Budget</b>	
Rincon Consultants, Inc. for Environmental Monitoring	\$ 300,000
Budget Allocation to Pechanga Indian Tribe for Tribal Monitoring during construction	\$ 80,000
<b>Construction Monitoring Budget Subtotal (C)</b>	<b>\$ 380,000</b>
<b>Western Water Staff Time Budget</b>	
Construction	\$ 506,443
Construction Management & Inspection	\$ 103,534
<b>Staff Time Subtotal (D)</b>	<b>\$ 606,443</b>
Requested Increase in Budget for Construction (A+B+C+D)	\$ 8,000,000
<b>Total Project Budget (Design + Construction)</b>	<b>\$ 8,710,000</b>

Funding Breakdown	
Existing Project Budget	
23-Murrieta Water-RES01 Added Facility Charge	\$ 710,000
Proposed Budget Increase	\$ 8,000,000
<b>Total Project Budget</b>	<b>\$ 8,710,000</b>
ARPA Funding - City of Murietta	(\$ 4,107,706)
Net Project Cost to be Paid by Future Connections	
23-Murrieta Water-RES01 Added Facility Charge	\$ 4,602,294

Reason for Action:

Certain areas in Western Water's Murrieta service area do not currently have municipal water services, relying instead on private well production. Recently completed water master plan updates identified the various facilities needed to serve the community.

Solution:

Increase the project budget by \$8,000,000 and award the construction and professional services contracts required to construct the Jefferson Avenue Improvements Project.

**STRATEGIC PRIORITIES REFERENCE:**

This action is consistent with Western Water's Strategic Priority of Superior Service.

**LEGAL COUNSEL REVIEW:**

Not applicable.

Respectfully submitted by:

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

Attachments:

1. Big Ben Engineering Bid Package
2. Ardurra CM/Inspection Proposal
3. Rancho Water Agreement
4. Rincon Proposal for Environmental Monitoring