

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

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 EQUIPPING PROJECT (W-296B)**

**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 (Project) by \$1,600,000 from \$3,500,000 to \$5,100,000 by utilizing the Board adopted Fiscal Year 2024-2025 Capital Improvement and Facilities Plan under the System Improvement Reserve RES04 of the Riverside Non-Potable Water Fund 21; and
2. Find that Venture Construction & Management's (Venture) bid is nonresponsive and reject the bid; and
3. Award a construction contract for the Project, in the amount of \$998,500 to Canyon Springs Enterprises (Canyon) for construction of the project.

**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:**

The Board-adopted Capital Improvement and Facilities Plan has \$1,100,000 and \$4,000,000 remaining in Fiscal Years 2024-2025 and 2025-2026, respectively, for this project under System Improvement Reserve RES04 of the Riverside Non-Potable Water Fund 21. These amounts are sufficient to cover the proposed capital budget addition in the amount of \$1,600,000. This increase will bring the overall SARCCUP Non-Potable Well 7 Project budget from \$3,500,000 to \$5,100,000.

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.

*Pre-Purchase of Long-Lead Time Equipment per Prior Board Action:*

Due to the approaching SARCCUP grant deadline for well completion, expediting construction activities has become necessary. Staff requested Board authorization to pre-purchase long-lead time equipment on September 18, 2024. Authorization was provided, and both the electrical control equipment and the pumping equipment including the drive motor have been purchased by Western Water. The selected equipment vendors anticipate delivery closely corresponding to requirements of the Project which allows completion of Well 7 by the funding deadline.

*Construction Contract:*

Staff advertised the construction of the Project for public bidding on November 1, 2024. The Engineer's opinion of probable cost was \$815,458. Five bids were received by the 2:00pm deadline on November 21, 2024, and were opened with bidders present. One bid was received after 2:00pm, was improperly addressed, was not within a sealed envelope, and was returned to the bidder CHI Construction. All bids that were submitted by the deadline were reviewed by staff. The bid opening results are listed and ranked in the table below.

<b>Construction Contractor</b>	<b>Bid Amount</b>	<b>Rank</b>
Venture Construction & Management, Corona	\$ 918,800	1
<b>Canyon Springs Enterprises, Temecula</b>	<b>\$ 998,500</b>	<b>2</b>
Williamson Development Group, Lake Elsinore	\$ 1,032,000	3
MMC Inc., La Palma	\$ 1,210,000	4
Metro Builders, Newport Beach	\$ 1,365,040	5

After bid opening, Venture Construction & Management (Venture) was identified as the apparent low bidder. However, after staff reviewed the bid in detail, it was determined that Venture's bid was non-responsive for the following reasons.

- Venture failed to specifically identify the manufacturers for the equipment specified in the Contract Documents in the Certified Data Sheet that is attached to the Bid Form, as required by Instruction to Bidders, Section 7 and the instructions on the Certified Data Sheet.
- Venture failed to identify projects that it had completed that are similar to the Project within the last five (5) years, as required by Section C of the Bid Form; and

- Venture failed to provide a balanced bid as required by Section 17 of the Instruction to Bidders.

On or about December 4, 2024, District staff transmitted a letter informing Venture its bid was nonresponsive. The letter is included as Attachment 4 and provides a detailed explanation why Venture’s bid was found non-responsive.

Staff reviewed the bid of the apparent second low bidder, Canyon Springs Enterprises (Canyon), and determined Canyon’s bid to be responsive. As such, staff recommends that (1) the Board determine that Venture’s bid to be non-responsive and reject it, and (2) award the construction contract to Canyon Springs Enterprises.

The prior Board authorizations for the Project provided a budget of \$3,500,000. The proposed budget for continuation of the Well 7 project through construction of the well, is outlined in the table below.

<b>Construction of Well Equipping Project</b>		
Well Equipping	Canyon Springs Enterprises, Temecula	\$998,500
City of Riverside	Utility Services (estimated)	\$150,000
Design Engineer	MKN’s Engineering Services During Construction	\$49,648
	Western Staff Support (Engineering & Operations)	\$250,000
	Sub-Total	\$1,448,148
	Contingencies (~10%)	\$151,852
	<b>Equipping Request</b>	<b>\$1,600,000</b>
	Well 7 Prior Board Authorizations	\$3,500,000
	<b>Total Request for Well Construction</b>	<b>\$5,100,000</b>

A separate Board authorization request follows this one for construction activities related to the connected but separate project, the discharge pipeline, as well as a single construction management services contract that encompasses both efforts.

Reason for Action:

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

Solution:

Authorize increasing the Project budget and Authorize the General Manager to execute a construction contract with Canyon Springs Enterprises, Temecula, California in an amount of \$998,500.

**STRATEGIC PRIORITIES REFERENCE:**

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

**LEGAL COUNSEL REVIEW:**

The determination of Venture Construction & Management's bid as unresponsive by Staff was reviewed by WMWD's legal counsel.

Respectfully submitted by:

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

Attachments:

1. Engineer's Bid Review Letter
2. Engineer's Bid Analysis
3. Design Engineer's Services during construction Fee Proposal
4. Venture Notification regarding Non-Responsive Bid
5. Vicinity Map