



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** GOVERNING BOARD

**File #:** 19-344

Board Meeting Date: 4/23/2019

**Special Notice / Hearing:** None  
**Vote Required:** 4/5ths

**To:** Honorable Board of Supervisors  
**From:** James C. Porter, Director of Public Works  
**Subject:** Approve an Appropriation Transfer Request for the County Service Area No. 11 Water Supply and Sustainability Project

**RECOMMENDATION:**

**Measure K:** Acting as the Governing Board of County Service Area No. 11, approve an Appropriation Transfer Request in the amount of \$338,000, transferring \$338,000 in Sales and Use Tax revenue from the **Measure K** Trust Fund to the County Service Area No. 11 budget for the County Service Area No. 11 Water Supply and Sustainability Project.

**BACKGROUND:**

On December 11, 2012, your Board adopted Resolution No. 072314, which approved an Appropriation Transfer Request (ATR) in the amount of \$150,000 to fund work required to submit a project proposal package for Prop. 84 funding to improve the County Service Area No. 11 (CSA 11) Pescadero Community Water System.

The grant application for the Pescadero Water Supply and Sustainability Project (Project) was selected to receive Prop. 84 funding. Your Board took the required actions to receive the Prop. 84 funding, including adoption of Resolution No. 073484 on November 4, 2014, authorizing the execution of a Local Project Sponsor Agreement with the Association of Bay Area Governments (ABAG) for the Project in the amount of \$700,000.

On February 14, 2017, your Board adopted Resolution No. 075018 adopting the plans and specifications, including conformance with prevailing wage scale requirements, and authorizing the Director of Public Works to call for sealed bids for the Project.

On April 11, 2017, your Board adopted Resolution No. 075124, which authorized an agreement for construction of the Project by Fort Bragg Electric, Inc., with a not to exceed amount of \$1,257,000, based on the contractor's bid amount of \$1,142,890, and authorized the Director of Public Works to execute contract change orders in an amount not to exceed \$114,110. Project expenses greater than the \$700,000 grant amount were included in the Measure K funded initiatives and the County's

## Capital Improvement Program.

On April 24, 2018, your Board adopted Resolution No. 075853, which amended the construction agreement with Fort Bragg Electric, Inc. for the Project, increasing the “not-to-exceed” amount by \$135,000, for a new, Not-to-Exceed amount of \$1,392,000; and authorized an ATR, Resolution No. 075854, in the amount of \$155,000 in appropriated Measure K revenue and expenditures from the CSA 11 Pescadero Aquifer Study in the capital projects budget to the Project.

### **DISCUSSION:**

The Project involved constructing a deeper well, adding a water storage tank, and other work necessary to ensure that the new components appropriately interface with the existing water system. Unanticipated conditions discovered during construction have resulted in additional expenses resulting in the amount allocated for this Project to be insufficient to complete the Project. Although several issues identified during construction affected the Contractor’s compensation amount, the most significant financial impact to the Project has been the extended period of construction. During the prolonged construction window, County and consultant staff have been required to continue work on this Project for a longer period of time than originally anticipated. A summary of the items that most significantly affected the Project schedule are described as follows:

1. The well drilled at the location designated on the Project plans was not viable and a well at an alternate and higher location was constructed. The increase in well elevation required specific pressure regulating valves and new standards for communication cables were necessary for the Project. The impact to the schedule was an additional 21 working days added to the contract duration.
2. The motor saver, motor saver enclosure, and conduit specified in the Project documents were no longer available and a substitute motor saver, motor saver enclosure, and conduit were required. This work added 30 working days to the contract duration.
3. The first well that was constructed as part of the Project required a well destruction plan in connection with the well destruction permit from the County Environmental Health Services. This work added 15 working days to the contract duration.
4. The existing programmable level indicator and pump controller failed when it was connected to the new well and pump. An analysis by the County and consultant determined that the failure was due to outdated software/hardware and the device had exceeded its useful life. A new device is necessary and has a long lead time. This item added 50 working days to the contract duration.
5. The Project included disinfection of the water system after construction was complete. However, the disinfection process is being repeated and the anticipated effort and duration of both disinfection processes has required more staff time than originally envisioned.

While the costs associated with additional contract work described above are within the not-to-exceed amount of the Construction Contract, the time extensions associated with this work has extended the completion date for the Project by several months and at least until April 2019. Staff from the County and the consultant have been required to continue the administration and inspection support of the Project. Because the Project spanned multiple years and winter seasons, the

construction site required periodic inspections and biological monitoring to ensure compliance with the Coastal Development Permit and Storm Water Pollution Prevention Plan. Lastly, there are additional anticipated costs associated with the inspection of the remaining items of work, project close-out, and the requirements of the Prop 84 grant requirements including preparation and submittal of a final project report to ABAG and the Department of Water Resources (DWR).

The Department has invoiced DWR for the grant amount of \$700,000 pursuant to the grant agreement. No other grant funds are available to pay for the additional costs associated with completing this Project.

The Department recommends that your Board consider these unanticipated conditions for this Project and authorize the ATR to fund the additional expenses from the Measure K Trust Fund to complete the Project.

County Counsel has reviewed and approved the ATR as to form.

Approval of this action contributes to the Shared Vision 2025 outcome of an Environmental Conscious Community by enabling the County to implement projects that would improve water supply reliability, protect water quality, maintain public health standards, and protect habitat and watershed resources.

**FISCAL IMPACT:**

Approval of the Appropriation Transfer Request in the amount of \$338,000 will provide the funds necessary to complete the Project. The Appropriation Transfer Request transfers \$338,000 from the Measure K Trust Fund to the CSA 11 budget for the CSA 11 Water Supply and Sustainability Project. There are sufficient funds available in Measure K Trust Fund for this purpose.