



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** December 10, 2024

**TO:** Mayor and Councilmembers

**FROM:** Engineering Division, Public Works Department

**SUBJECT:** Community Workforce Agreement Administration Services for the El Estero Water Resource Center Electrical Distribution Renewal Project [Agreement]

### **RECOMMENDATION:**

That Council authorize the Public Works Director to execute a City Professional Services contract with Pacific Resources Services Corporation in the amount of \$87,493 for Community Workforce Agreement Administration services for the El Estero Water Resource Center Electrical Distribution Renewal Project and authorize the Public Works Director to approve expenditures of up to \$8,749 for potential extra services, for a total expenditure authority of \$96,242.

### **DISCUSSION:**

#### Background

The El Estero Water Resource Center (El Estero) is one of the most important facilities in the City of Santa Barbara (City) and serves a critical role in the protection of the environment and public health. El Estero provides wastewater treatment, recycled water treatment, and renewable energy production, and serves a population of approximately 95,000. Initially constructed in 1952, the majority of El Estero's current infrastructure was constructed in 1978. Due to the age of this critical facility, rehabilitation of the electrical distribution system is currently identified as the top priority for the facility based on overall risk and consequence of failure.

#### Project Description

The El Estero Electrical Distribution Renewal Project (Project) will rehabilitate the electrical distribution system at El Estero to ensure uninterrupted operations to this critical facility and protect the health and safety of the community and environment. The Project will replace the existing outdated high-voltage electrical distribution system, including the main electrical panel and all five substations at El Estero. The Project is designed to meet future electrical demands and provide redundancy, improving overall reliability.

Construction is anticipated to begin in early 2025, with an approximately three-year construction duration.

Council previously authorized contracts for the Project with Brown and Caldwell (B&C) to prepare the planning and design documents, and a contract with Mimiaga Engineering Group Inc., (MEG) for pre-bid construction management and constructability review. Additionally, on April 18, 2023, Council authorized the execution of the Clean Water State Revolving Fund (CWSRF) installment sale agreement to fund the Project. Most recently, on October 1, 2024, Council authorized award of a construction contract with Leed Electric Inc., to construct the Project and construction support contracts with B&C, MEG, and HiTech Concepts Inc., (HiTech) and adopted a resolution to appropriate CWSRF funds.

This Project is subject to the City's Community Workforce Agreement (CWA) with the Tri-Counties Building & Construction Trades Council, which went into effect in July 2021. This agreement applies when the Engineer's Estimate for new construction is over \$5,000,000.

#### CWA Administration Services

Staff recommend that Council authorize the Public Works Director to execute a contract with Pacific Resources Services Corporation (PRS) in the amount of \$87,493 for CWA Administration services with \$8,749 for potential extra services, for a total amount of \$96,242. This contract will provide the services required to administer and apply the necessary obligations of the CWA to this Project on behalf of the City. PRS was selected through a publicly advertised Request for Proposals process that received proposals from four qualified firms. PRS is highly experienced in this type of work and their costs are comparable to current market rates.

#### **BUDGET/FINANCIAL INFORMATION:**

This Project is funded by a CWSRF installment agreement from the State of California Water Resources Control Board (Project No. 8508-110). The CWSRF agreement for \$30,188,647 was approved by Council on April 18, 2023. There are sufficient expenditure appropriations in the Wastewater SRF Loan Fund in Fiscal Year 2025 to cover this contract and the initial Project construction costs. Staff is currently preparing an amendment to the CWSRF agreement amount to cover total Project costs. If the amended CWSRF agreement is approved, future appropriations will cover the total anticipated Project cost included in this report. If the amended CWSRF agreement is not approved, Council previously authorized staff to pursue bond funding for the remaining Project costs.

The total Project costs presented are the present-day value, or principal costs of the Project. The total Project cost is debt funded adding interest to the principal cost over the term of the loan(s). The payment of the principal plus interest becomes part of the Wastewater Fund budget over the term of the loan(s), which helps limit the impact to rates

over the lifecycle of the new infrastructure. Staff will return to Water Commission and City Council to present the finalized funding plan and request approval for the recommended funding agreement(s).

The following summarizes all Project design and construction costs:

### ESTIMATED TOTAL PROJECT COST

*\*Cents have been rounded to the nearest dollar in this table.*

Preliminary Design (by B&C)	\$1,517,946
Final Design (by B&C)	\$1,665,787
Other Design Costs (Env – Dudek, Constructability - MEG)	\$273,387
City Staff Costs (including permit fees)	\$357,284
<b>Design Subtotal</b>	<b>\$3,814,404</b>
Construction Contract (Leed Electric Inc.)	\$33,660,183
Construction Change Order Allowance	\$5,049,027
Other Construction Costs (Integration: HiTech; Design Support: B&C)	\$1,861,644
Construction Management/Inspection (by MEG)	\$5,600,779
Construction Management (by City Staff)	\$376,858
CWA Administration (by PRS)	\$96,242
<b>Subtotal</b>	<b>\$46,644,733</b>
<b>TOTAL PROJECT COST</b>	<b>\$50,459,137</b>

A copy of the contract may be requested from the Public Works Department for public review by contacting [PWInfo@SantaBarbaraCA.gov](mailto:PWInfo@SantaBarbaraCA.gov).

### SUSTAINABILITY IMPACT:

El Estero is one of the City's largest electricity users, and the on-site cogeneration system currently provides 50% of its electricity. However, the current electrical infrastructure limits the total amount of potential renewable energy that can be produced on the site. This upgrade will provide the necessary supporting infrastructure to allow for the development of solar, battery, and additional cogeneration at this site, helping meet the City's 100% renewable electricity goal.

### ENVIRONMENTAL REVIEW:

The Project received a Notice of Exemption, dated August 26, 2021, in compliance with the guidelines of the California Environmental Quality Act (CEQA). The Project was exempt under CEQA Guidelines section 15301 (a) Existing Facilities. The State Clearinghouse Number is 2021090313. Additionally, the Project has been issued Coastal

Development Permit No. CDP2020-00005, under Resolution No. 040-21, dated August 25, 2021, allowing development to occur.

**WATER COMMISSION RECOMMENDATION:**

This item was presented to the Water Commission at its meeting on November 21, 2024, and the Commission voted X-X-X in support of staff's recommendations.

**PREPARED BY:** Brian D'Amour, P.E., City Engineer/KA/rl

**SUBMITTED BY:** Clifford M. Maurer, P.E., Public Works Director

**APPROVED BY:** Kelly McAdoo, City Administrator