



Council Agenda Report

Department Name: Utilities
Cost Center: 6002
For Agenda of: January 12, 2021
Placement: Consent
Estimated Time: N/A

FROM: Aaron Floyd, Utilities Director
Prepared By: David Hix, Deputy Director Utilities - Wastewater
 Jennifer Metz, Utilities Project Manager

SUBJECT: AUTHORIZE ADVERTISEMENT OF CALLE JOAQUIN SIPHON AND SEWER LIFT STATION REPLACEMENT PROJECT, SPECIFICATION NO. 91118

RECOMMENDATION

1. Approve the plans and specifications (Council Reading File, Attachment A and B) for the Calle Joaquin Siphon and Sewer Lift Station Replacement Project (Project), Specification No. 91118; and
2. Authorize staff to advertise the Project for bids; and
3. Adopt a Resolution entitled "A Resolution of the City Council of the City of San Luis Obispo, California, Authorizing Use of Sewer Fund Unreserved Working Capital for Construction of the Calle Joaquin Siphon and Lift Station Replacement Project, Specification No. 91118 and General Fund Completed Projects and Capital Reserves to Fund Silt Removal" (Attachment C); and
4. Authorize the City Manager to award the construction contract for the Project if the lowest responsible bid is within available project funding.

DISCUSSION

Background

Wastewater collection systems function primarily by gravity, flowing from higher to lower elevations throughout the City until wastewater ultimately reaches the Water Resource Recovery Facility (WRRF) for treatment. To maintain adequate elevations, sewer lift stations are constructed to "lift" the wastewater to higher elevations, where it can again be conveyed by gravity. The Calle Joaquin Sewer Lift Station serves properties in the southern portion of the City on both the east and west sides of US 101. The lift station was put into service in 1967 making it the oldest of eight sewer lift stations operated by the City.



Sewer siphons are designed to carry wastewater for short distances under pressure, typically when the wastewater collection system needs to cross a creek or other low elevation site that would impede gravity flow. The sewer siphon under San Luis Obispo Creek and the gravity sewer main across US 101 were installed in the early 1970s to direct wastewater to the Calle Joaquin lift station. The lift station also serves new development on the northern portion of Calle Joaquin and will serve the future Froom Ranch project. When first programmed as part of the 2011-13 Financial Plan, the project included design and replacement of the Calle Joaquin sewer force main. That element was constructed in 2015 (Specification No. 91133).

Replacement of these facilities is challenging due to limited site area and access for construction work, past flood events requiring elevating access to the lift station, deep excavations, high groundwater, and seasonal limitations for work in the San Luis Creek channel. The City acquired temporary construction and permanent easements for the lift station and siphon construction. Due to the proximity of this project near US 101 and the creek environment, the City is obtaining permits from Caltrans and various environmental agencies including U.S. Fish and Wildlife Service, California Department of Fish and Wildlife, Regional Water Quality Control Board (RWQCB), Army Corps of Engineers, and the National Oceanic and Atmospheric Administration - National Marine Fisheries Service.

Project

The City completed plans and specifications for the Project (Attachments A and B) and recommends the City Council authorize advertisement of the Project for construction. The project requires diversion of San Luis Obispo Creek and excavation work to enable the construction of the new sewer siphon under the Creek and removal of the existing siphon. With the diversion in place to enable access for equipment, the Project includes removal of over 0.5 acres of the perennial invasive exotic grass *Arundo donax* and 1,000 cubic yards of silt from the San Luis Obispo Creek channel that has posed a historic flooding risk to the City. Consistent with Municipal Code section 12.08.100 (Exceptions to Discharge), the City has applied for a permit from the RWQCB authorizing discharge to a City storm drain connected to Froom Creek for the lift station portion of the project for dewatering.

Project Components

- Replace lift station above flood elevation
- Provide backup emergency power
- Replace siphon 12 feet under San Luis Obispo Creek
- Replace sewer crossing of US 101
- Replace gravity sewer on southern stretch of Calle Joaquin (toward KSBY)
- Remove invasive *Arundo donax* and silt to alleviate future flooding
- Restore Creek per permit requirements

The Project contingency for construction, construction management, and inspection services is budgeted at 25 percent due to the complexity of the Project and consequence of failure. Construction management and inspection services will be provided by consultants from the City's on-call service contracts, Capital Plan Construction Management Services, Specification No. 50410.2018CM.

Policy Context

Per the City's General Plan Water and Wastewater Management Element, *2019 Sewer System Management Plan*, and *2015 Wastewater Collection System Infrastructure Renewal Strategy*, the City replaces wastewater infrastructure to ensure delivery of reliable service, minimize sanitary sewer overflows, and provide adequate capacity to serve future development.

Previous Council Action

On March 15, 2019, the City Council approved contract amendments for the completion of engineering design services for the project's construction documents (Attachment D). As part of that item, the City Council also approved additional environmental permitting services related to the construction of the project and property acquisition services for the project's temporary construction easements and permanent utility easements.

Public Engagement

The Calle Joaquin Siphon and Lift Station Replacement Project has been identified as a priority project in the Financial Plan Capital Improvement Plan since 2011. As construction proceeds, updates will be provided on the City's Public Works Department website at:

www.slocity.org/government/departments-directory/public-works/construction-and-traffic-updates

COVID-19 Considerations

Due to the current economic impacts of COVID-19, the City reevaluated all Capital Improvement Plan projects with the goal of adjusting Capital Expenditures in response to projected revenue shortfalls and aligning the adjusted CIP program with a focus on economic recovery and fiscal responsibility. With these criteria in mind, this project is recommended to continue as it addresses a critical infrastructure need. Additionally, this project supports economic recovery through contracts with local or regional companies that will further retain employment and long-term viability of the construction industry.

CONCURRENCES

Utilities staff, City Biologist, and Public Works Department staff (City Engineer and Construction Manager) have worked cooperatively on the delivery of this Project. Those staff concur with the recommendations in this report.

ENVIRONMENTAL REVIEW

The City Council approved a Mitigated Negative Declaration of Environmental Impact for the Project in 2016 by Resolution 10718 (Council Reading File, Attachment E). An addendum was prepared in 2020 to include the removal of the existing siphon from San Luis Obispo Creek during construction as required by the National Oceanic and Atmospheric Administration - National Marine Fisheries Service to improve fish passage in the Creek.

FISCAL IMPACT

Budgeted: Yes

Budget Year: 2019-20

Funding Identified: Yes

The Project was described in the 2019-21 Financial Plan, Capital Improvement Program. The construction cost estimate for the project is \$3,500,000. Other project costs of \$825,000 are outlined in the table below. Contingencies are included at 25 percent of the construction and construction management/inspection budget to address potential changes in scope that may arise during construction. This is a higher rate of contingency to typical pipeline replacement capital projects due to the complexity of the Project. The estimated total project cost is \$5,406,250. The approximate current balance in Sewer Fund unreserved working capital is \$35 million.

Estimated Construction Costs	
Construction Cost Estimate	\$3,500,000
Construction Management/Inspection	\$400,000
Engineering Construction Phase Support/Record Drawings	\$200,000
Biological and Cultural Resources Monitoring	\$100,000
Utility Service and Relocations (PG&E, Gas, AT&T, Charter Cable)	\$100,000
Specialty Inspection, Materials Testing, and Printing	\$25,000
Subtotal	\$4,325,000
Construction Contingency (25%)	\$1,081,250
Total Project Cost¹	\$5,406,250
Project Funding	
Sewer Fund, FY 2017-19 Funding (91118, carryover)	\$2,200,000
Sewer Fund, FY 2019-20 Funding (1000087)	\$700,000
Expenditures to Date	- \$400,000
Available Funding	\$2,500,000
General Fund, Capital Reserve (Silt Removal)	\$77,000
General Fund, Completed Projects	\$23,000
Sewer Fund, Unreserved Working Capital	\$2,900,000
Project Funding	\$5,500,000

¹ Excludes operating costs.

Fiscal Analysis:

Funding Sources	Total Budget	Expenditures to Date	Remaining Budget
General Fund	\$100,000	\$0	\$100,000
State			
Federal			
Fees			
Other: Sewer Fund	\$5,800,000	\$400,000	\$5,400,000
Total	\$5,900,000	\$400,000	\$5,500,000

Annual staffing, maintenance, equipment, and energy cost for the Calle Joaquin Lift Station is estimated at \$15,000 annually. This cost is not expected to increase with the replacement of the lift station. Funding for the Project's on-going operational costs was approved as part of the 2019-2021 Financial Plan in the Sewer Fund, Wastewater Collection section operating budget.

ALTERNATIVES

Deny or defer approval to advertise. The City Council may choose to deny or defer the approval to advertise this project. Staff does not recommend this alternative as the City is required to remain in regulatory compliance. Should this be denied or deferred, the existing siphon and lift station will continue to deteriorate, increasing the likelihood of failure, which could result in the discharge of untreated wastewater directly into San Luis Obispo Creek.

Attachments:

a - COUNCIL READING FILE - Project Plans

b - COUNCIL READING FILE - Project Specifications

c - Draft Resolution

d - COUNCIL READING FILE - Council Agenda Report dated 03/05/2019

e - COUNCIL READING FILE - Resolution No. 10718 (2016 Series)

RESOLUTION NO. ____ (2021 SERIES)**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, AUTHORIZING USE OF SEWER FUND UNRESERVED WORKING CAPITAL FOR CONSTRUCTION OF THE CALLE JOAQUIN SIPHON AND LIFT STATION REPLACEMENT PROJECT, SPECIFICATION NO. 91118 AND GENERAL FUND COMPLETED PROJECTS AND GENERAL FUND CAPITAL RESERVES TO FUND SILT REMOVAL**

WHEREAS, per the City's General Plan Water and Wastewater Management Element, *2019 Sewer System Management Plan*, and *2015 Wastewater Collection System Infrastructure Renewal Strategy*, the City replaces wastewater infrastructure to ensure delivery of reliable service, minimize sanitary sewer overflows, and provide adequate capacity to serve future development; and

WHEREAS, the Calle Joaquin Sewer Lift Station serves properties in the southern portion of the City on both the east and west sides of US 101, serves new development on the northern portion of Calle Joaquin, and will serve the future Froom Ranch project; and

WHEREAS, the Calle Joaquin Sewer Lift Station was put into service in 1967 making it the oldest of eight sewer lift stations operated by the City, and is past its useful life and in need of replacement; and

WHEREAS, a sewer siphon under San Luis Obispo Creek and the gravity sewer main across US 101 were installed in the early 1970s to direct wastewater to the Calle Joaquin lift station, also requires replacement due to its condition; and

WHEREAS, construction of the sewer siphon enables access to an area to remove over 0.5 acres of the perennial invasive exotic grass *Arundo donax* and 1,000 cubic yards of silt from the San Luis Obispo Creek channel that has posed a historic flooding risk to the City; and

WHEREAS, in June 2019, the City Council approved the 2019-21 Financial Plan, Capital Improvement Program, which identified a total budget of \$3.1 million for the Calle Joaquin Siphon and Lift Station Replacement Project; and

WHEREAS, on March 5, 2019, the City Council approved amendments to the design scope of the Project to include removal of the existing siphon from San Luis Creek and additional environmental permitting work; and

WHEREAS, the total available budget for the Project is \$2,600,000 and the total Project cost is estimated at \$5,500,000 requiring an additional \$2,900,000 to fund Project construction; and

WHEREAS, a balance of over \$35 million is available from Sewer Fund, Unreserved Working Capital to fund the Project; and

R _____

Resolution No. _____ (2021 Series)

WHEREAS, a balance of \$23,000 is available from General Fund, Completed Projects Account to fund a portion of the silt removal component of the Project; and

WHEREAS, a balance of \$120,000 is available from General Fund, Capital Reserve Account to fund the remainder of the silt removal component of the Project.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of San Luis Obispo as follows:

SECTION 1. The budget of \$2,900,000 will be moved to the Calle Joaquin Siphon and Lift Station Replacement Project, Specification No. 91118, from Sewer Fund, Unreserved Working Capital, as it is a high priority City project.

SECTION 2. The budget of up to \$23,000 will be moved to the Calle Joaquin Siphon and Lift Station Replacement Project, Specification No. 91118, from General Fund, Completed Projects Account for silt removal.

SECTION 3. The budget of up to \$77,000 will be moved to the Calle Joaquin Siphon and Lift Station Replacement Project, Specification No. 91118, from General Fund, Capital Reserve Account for silt removal.

R _____

Resolution No. _____ (2021 Series)

SECTION 4. Environmental Review. The City Council approved a Mitigated Negative Declaration of Environmental Impact for the Project in 2016 by Resolution 10718 (2016 Series). An addendum was prepared in 2020 to include the removal of the existing siphon from San Luis Obispo Creek during construction as required by the National Oceanic and Atmospheric Administration - National Marine Fisheries Service to improve fish passage in the Creek.

Upon motion of _____, seconded by _____,
and on the following roll call vote:

AYES:

NOES:

ABSENT:

The foregoing resolution was adopted this _____ day of _____ 2021.

Mayor Heidi Harmon

ATTEST:

Teresa Purrington
City Clerk

APPROVED AS TO FORM:

J. Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, on _____.

Teresa Purrington
City Clerk

R _____