

---

**File No.:** 17-0114

**Agenda Date:** 2/28/2017  
**Item No.:** \*5.3.

---

## SUPPLEMENTAL BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Consultant Contract with Stantec Consulting Services, Inc. for Pacheco Reservoir Proposition 1 Application Study.

### **REASON FOR SUPPLEMENTAL MEMORANDUM:**

To provide the Consultant Contract scope of work under negotiation with Stantec Consulting Services, Inc. (Stantec), which was not available in time for the 10-day posting. In addition, this supplemental memorandum provides information on the February 23, 2017 meeting of the Pacheco Reservoir Exploratory Ad Hoc Committee.

### **RECOMMENDATION:**

- A. Discuss the outcomes of the February 23, 2017 meeting of the Pacheco Reservoir Exploratory Ad Hoc Committee with board members of San Benito County Water District and Pacheco Pass Water District.
- B. Authorize the Interim CEO to execute a single source Consultant Contract for up to \$900,000 with Stantec Consulting Services, Inc. to prepare a Proposition 1 funding application for Pacheco Reservoir expansion.

### **SUMMARY:**

As directed by the Board at its January 31, 2017 Board meeting, staff moved forward with negotiations for a single source contract with Stantec. The draft scope of work for the Consultant Contract negotiated between District staff and Stantec is contained in Attachment 1. The scope of work is structured into two phases. In the first phase, a preliminary estimate of monetary benefits will be prepared to determine whether the benefits are sufficient to create a viable Proposition 1 funding application. If the benefits are insufficient, the Consultant Contract would be terminated at that point. If sufficient benefits can be justified, then benefits quantification and monetization will be further refined in the second phase, which will include development of application documents. In addition, supplemental funds are set aside as needed for tasks such as revisions to the application, additional technical analysis or extensive stakeholder communication support. If fatal flaws for the Proposition 1 application are discovered at any time, the Consultant Contract may be terminated for

---

convenience. The Consultant Contract continues to be negotiated and will be for a not-to-exceed amount of \$900,000, broken down as follows:

- Phase 1: preliminary assessment of costs and benefits to determine if the District should move forward with a Proposition 1 application - estimated at \$200,000.
- Phase 2: preparation and submittal of the Proposition 1 application - estimated at \$550,000.
- Supplemental tasks as needed - estimated at up to \$150,000.

The Pacheco Reservoir Exploratory Ad Hoc Committee (Committee) met with board members of San Benito County Water District and Pacheco Pass Water District on February 23, 2017 to provide an opportunity for discussion regarding potential expansion of Pacheco Reservoir. The Committee reviewed and discussed the draft principles of agreement shown in Attachment 3.

#### **FINANCIAL IMPACT:**

If the Board approves execution of the Consultant Contract for development of a Proposition 1 funding application:

- District staff would be authorized to expend up to \$900,000 for Stantec to prepare the Proposition 1 application.
- Approximately \$100,000 of staff time will be needed to manage the Consultant Contract, provide technical support, and develop partnerships with other beneficiaries.
- Because the District does not currently have assurances from Pacheco Pass Water District that the reservoir will likely be available for the potential expansion project, groundwater charge revenue will not be used to fund consultant services, consistent with the District Act. Instead, non rate-related revenue sources will be used.
- Funding for these activities will come from savings from other General Fund projects and therefore will result in no impact to General Fund reserves.

#### **CEQA:**

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

#### **ATTACHMENTS:**

Supplemental Attachment 1: Draft Preliminary Scope of Services  
Supplemental Attachment 2: Draft Principles of Agreement

Supplemental Attachment 3: PowerPoint

**UNCLASSIFIED MANAGER:**

Garth Hall, 408-630-2750