



Santa Clara Valley Water District

File No.: 24-0325

Agenda Date: 5/14/2024
Item No.: 10.2.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Approve Amendment No. 2 to Agreement A4482G With Stantec Consulting Services, Inc., to Provide Funding Support Services for the Debt Management Project, Project No. 95993007, and the Grants Management Project, Project No. 00031002, CAS File No. 5222, Increasing the Not-to-Exceed Amount From \$1,500,000 by \$745,000 to \$2,245,000.

RECOMMENDATION:

Approve Amendment No. 2 to Consultant Agreement A4482G with Stantec Consulting Services to increase the agreement not-to-exceed amount to \$2,245,000.

SUMMARY:

Staff requests Board approval of Amendment No. 2 to Consultant Agreement A4482G, to increase the agreement not-to-exceed amount by \$745,000, from \$1,500,000 to \$2,245,000 to support ongoing efforts to secure and administer state and federal grants and low-cost loans. The Santa Clara Valley Water District (Valley Water) has successfully partnered with the Consultant to apply for and received funding award for a number of grants and federal loans for various capital and operating projects since June 2021. Board approval of Amendment No. 2 will ensure sufficient resources are available to allow for continuity in managing the various grant and loan programs. The disclosure pursuant to Government Code §84308, Amendment No. 2 and Amended Single Source Justification are provided in Attachments 1, 2, and 3.

Background

On June 22, 2021, a single source Agreement A4482G with Consultant (Attachments 6 and 7) was executed, for an amount not to exceed \$224,852, to assist in Valley Water's efforts to compete for low-cost loans through the Environmental Protection Agency's (EPA's) Water Infrastructure Finance and Innovation Act (WIFIA) program, as well as other Federal and State loan and grant funding programs. On October 25, 2022, the Board approved Amendment No. 1 to Agreement A4482G to increase the not-to-exceed amount by \$1,275,148 for a total not-to-exceed amount of \$1,500,000 (Attachment 4 and 5). The increased authorization was primarily a result of the need for support with (1) compliance with the monitoring and reporting requirements of the WIFIA loan program, and (2) the expansion of efforts to identify and administer grant funding opportunities.

To-date, with the Consultant's assistance, Valley Water has successfully executed three Master Agreements with the EPA to provide funding for certain Safe, Clean Water projects as well as the Anderson Dam Seismic Retrofit, Coyote Percolation Dam Replacement, and Pacheco Reservoir Expansion Project totaling \$2.175 billion. Additionally, the Consultant has assisted with submitting several large grant applications totaling over \$125 million for certain Safe, Clean Water projects.

Amendment No. 2 - Expanded Scope of Services

The requested increase of the not-to-exceed amount would fund the expansion of Grants and Claims Management Unit (Grants Management) efforts, the new scope of work related to United States Army Corps of Engineers (USACE) Corps Water Infrastructure Financing Program (CWIFP) loan applications, and ongoing administration and compliance with WIFIA and pending CWIFP loan agreements.

Grant Funding Opportunities

Grants Management is currently supported by the Consultant on activities including maintaining the Watersheds Roadmap, a strategic document that aligns projects funding needs with potential grant opportunities, and supporting development of complex federal grant applications, including those that require benefit-cost analyses. Additional funding would allow staff to develop a Water Utility Roadmap to align project needs with grant funding opportunities, to apply for additional federal grants including those from EPA, Federal Emergency Management Agency, Bureau of Reclamation, and Natural Resources Conservation Service, and to assist in developing strategies to seek grant funding for new topics such as cybersecurity, security, unhoused solutions, climate change, disadvantaged community and tribal engagement, and sea level rise.

Corps Water Infrastructure Financing Program (CWIFP) Applications

In December 2023, staff submitted preliminary applications to the USACE's CWIFP, a program that is currently limited to financing dam safety projects that are non-federally owned, operated, and maintained. Preliminary applications were developed with the assistance of the Consultant for (1) the Anderson Dam Seismic Retrofit Project and (2) the Dam Safety Program, which includes the Almaden, Calero, Coyote, and Guadalupe Dam Seismic Retrofit Projects. The preliminary applications requested for \$2 billion in CWIFP loans to fund up to 80% of the estimated project costs.

Staff was informed by the USACE on March 22, 2024, that CWIFP saw a very strong level of demand, and although they had concluded processing all pre-applications submitted for CWIFP loans, they need to continue working on a number of required clearances prior to issuing formal invitations.

Ongoing Administration and Compliance

The WIFIA and CWIFP loans require ongoing administration and compliance with reporting requirements that include the following:

- Compliance with National Environmental Policy Act (NEPA), Davis-Bacon, American Iron and Steel (AIS), and the requirements of all other federal laws and executive orders that apply in federal assistance programs (“federal cross-cutting provisions”);
- Design, establishment and administration of document management systems and processes to effectively track and demonstrate compliance with federal cross-cutting provisions, including AIS;
- Quarterly construction progress reports and eligible project costs documentation packages;
- Coordination to ensure procurement practices and construction final specifications reflect all federal requirements;
- Coordination to ensure documentation and document management practices comply with the loan agreements;
- Timely submission of notifications and required documentation;
- Davis-Bacon site visit interviews and site visit reports;
- AIS tracking and waiver submission support;
- Maintenance of documentation for the duration of the contract; and
- Regular compliance meetings for projects being procured or under construction.

Support from the Consultant will help ensure ongoing compliance with all WIFIA and CWIFP requirements.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no environmental justice and equity impacts associated with the amendment to the Consultant agreement. This action is unlikely to or will not result in human health or environmental effects and is not associated with an equity opportunity.

FINANCIAL IMPACT:

The Consultant costs pursuant to Agreement A4482G were included in the Board adopted FY 2023-24 budget, with \$300,000 encumbered in Project 00031002 (Grants Management budget) and \$200,000 to Project 95993007 (Debt Management budget). The proposed FY 2024-25 budget includes \$200,000 for Project 00031002 and \$200,000 for Project 95993007.

CEQA:

The recommended action does not constitute a project under California Environmental Quality Act (CEQA) because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment, as outlined in the State CEQA Guidelines, Section 15060(c)(2).

ATTACHMENTS:

Attachment A: Gov. Code Section 84308

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Attachment 1: Amendment No. 2
Attachment 2: 012924 Amended Single Source Justification
Attachment 3: Amendment No. 1
Attachment 4: 090222 Amended Single Source Justification
Attachment 5: Agreement A4482G
Attachment 6: 050321 Initial Single Source Justification

UNCLASSIFIED MANAGER:

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