



Santa Clara Valley Water District

File No.: 17-0005

Agenda Date: 2/28/2017

Item No.: 5.2.

BOARD AGENDA MEMORANDUM

SUBJECT:

Budget Adjustment in the amount of \$750,000 to the Fiscal Year 2017 Anderson Dam Seismic Retrofit Project, Project No. 91864005; Amendment No. 6 to Consultant Agreement No. A3555A with Black & Veatch for Project Management Services for a not-to-exceed fee of \$7,539,795; and Amendment No. 3 to Consultant Agreement No. A3578A with HDR, Inc. for Planning/Environmental Services for a not-to-exceed fee of \$561,000 (Morgan Hill) (District 1).

RECOMMENDATION:

- A. Approve a Budget Adjustment of \$750,000 from the Pacheco/Santa Clara Conduit Right of Way Acquisition Project (Project No. 92144001) to the Anderson Dam Seismic Retrofit Project (Project No. 91864005) to fund expenditures for Fiscal Year 2017 (FY17) Project budget;
- B. Approve Amendment No. 6 to Agreement No. A3555A with Black & Veatch Corporation for Project Management Services for a not-to-exceed fee of \$7,539,795, resulting in a total not-to-exceed fee of \$16,558,637, and retroactively extend the Agreement term; and
- C. Approve Amendment No. 3 to Agreement No. A3578A with HDR, Inc. for Planning/Environmental Services for a not-to-exceed fee of \$561,000, resulting in a total not-to-exceed fee of \$5,557,091, and retroactively extend the Agreement term.

SUMMARY:

The Anderson Dam Seismic Retrofit Project (Project) was initiated in 2012 and is currently in the Design Phase. At the December 13, 2016 Board meeting, staff presented a modified Project and associated cost and schedule changes to address additional seismic deficiencies identified through extensive geotechnical investigations and analyses completed in 2016. Staff is recommending amendments to two Consultant Agreements to continue project management and environmental services for the Project and to incorporate the modified Project elements into the design and environmental documents.

Project Background

In 2011, the District completed a seismic study of Anderson Dam, which indicated that material at the base and foundation of the dam embankment would weaken due to liquefaction in a 7.25 magnitude earthquake (the maximum credible earthquake (MCE)) on the Calaveras Fault, located approximately 1.2 miles from the dam. Such an event could significantly deform the dam embankment, risking an uncontrolled release from Anderson Reservoir. The 2011 study also indicated that an MCE could trigger fault offset on the conditionally active Coyote Creek-Range Front fault zone located in the vicinity of the dam, which would damage the existing outlet pipe.

The District initiated the Anderson Dam Seismic Retrofit Project in 2012 to address the seismic deficiencies at the dam. The Project's Planning Phase was completed in July 2013, and the proposed retrofit project was described in a Planning Study Report provided to the Board via a Non-Agenda Memorandum in August 2013. The Design Phase was initiated soon thereafter, when the Board approved a consultant agreement with URS Corporation for Project design services on August 27, 2013. Since 2009, the District has operated Anderson Reservoir under a restricted water level (approved by the California Department of Water Resources, Division of Safety of Dams [DSOD]) as an interim risk reduction measure while the Project is being designed. DSOD does not allow water level restrictions as a permanent means to provide dam safety.

Staff has presented Project updates at Board meetings on January 22, 2013; July 9, 2013; April 10, 2014; June 9, 2015; November 10, 2015; June 28, 2016 and December 13, 2016.

Amendments to Consultant Agreements

Amendments to extend the duration and modify the scope of services to reflect the additional work necessary for the modified Project are recommended for the Project Management Services Agreement with Black & Veatch Corporation and the Planning/Environmental Services Agreement with HDR, Inc.

The Design Services Agreement with URS/AECOM will also require an amendment to modify the scope, duration, and not-to-exceed fee for completion of the Design Phase. District staff anticipates recommending an amendment for this Agreement to the Board in Spring 2017.

Amendment No. 6 to Agreement A3555A with Black & Veatch for Project Management Services

The original Agreement with Black & Veatch for Project Management Consultant Services for the Anderson Dam Seismic Retrofit Project was executed on January 24, 2012 for a not-to-exceed fee of \$3,656,800. Black & Veatch provided project management services through the Planning Phase of the Project (completed in 2013) and have continued performing such services since then for the Project's Design Phase.

Amendments No. 1, 3, 4, and 5 were administrative in nature and effective on April 1, 2014, October 26, 2015, July 15, 2016 and December 8, 2016 respectively. Amendment No. 2, approved by the Board on June 24, 2014, increased the not-to-exceed fee by \$5,362,042 for project management services during the Project's Design Phase.

Based on the modified Project, staff recommends amending the Project Management Consultant

Agreement with Black & Veatch Corporation to expand the scope of work and extend the Agreement term. As provided for in the original Agreement, this recommended Amendment No. 6 continues Consultant services for the Anderson Dam Seismic Retrofit Project, expands Consultant services for the Calero Dam Seismic Retrofit Project and the Guadalupe Dam Seismic Retrofit Project, and provides new services for the Almaden Dam Improvements Project as summarized below.

- Anderson Dam Seismic Retrofit Project: project management and capital project delivery; technical review and quality control; regulatory, permitting and environmental coordination; public outreach, stakeholder engagement and communications; agreements and contract and services management; value engineering and constructability reviews; and management and coordination of the Board of Consultants.
- Calero Dam Seismic Retrofit Project: administrative support; technical review of engineering deliverables; environmental permitting support; contractor pre-qualification processes; and independent cost and schedule estimates.
- Guadalupe Dam Seismic Retrofit Project: administrative support; technical review of engineering deliverables; environmental permitting support; contractor pre-qualification processes; and independent cost and schedule estimates.
- Almaden Dam Improvements Project: administrative support; technical review of engineering deliverables; GIS database development and maintenance; and value engineering and design support.

The current Agreement with Black & Veatch expires on February 28, 2017. Staff's recommendation is to extend the term of the Agreement to February 28, 2019. Amendment No. 2 was approved by the Board on June 24, 2014; Amendment No. 6 is recommended for approval on this agenda, as stated below in Table 1.

**Table 1: Summary of Project Management Consultant (Black & Veatch)
Board-Approved Scope and Recommended Fee-Related Amendments to Date**

Project	Original Agreement NTE* Fees	Amendment No. 2** NTE Fees	Amendment No. 6 NTE Fees	Total NTE Fees
Anderson	\$3,656,800	\$4,993,009	\$5,120,175	\$13,769,984
Calero and Guadalupe	\$0	\$369,033	\$1,890,638	\$2,259,671
Almaden	\$0	\$0	\$528,981	\$528,981
TOTAL	\$3,656,800	\$5,362,042	\$7,539,795	\$16,558,637

* NTE = Not-to-Exceed

** Amendment Nos. 1, 3, 4, and 5 were administrative and did not increase Agreement

scope/fees.

During the FY17 budget process in late 2015, significant uncertainties regarding the Project scope and schedule remained while Phase 2 geotechnical investigations were underway. At that time, staff did not include any costs for additional consultant encumbrances in the Project's FY17 budget. A budget adjustment of \$750,000 is now recommended to fund the Project Management Consultant tasks through the remainder of FY17.

Amendment No. 3 to Agreement A3578A with HDR, Inc. for Planning/ Environmental Services

The original Agreement with HDR, Inc. for Planning/Environmental Consultant Services for the Anderson Dam Seismic Retrofit Project was executed on March 12, 2012. The Planning Phase effort was completed in July, 2013. Environmental data collection was completed during the summer of 2013, and the Initial Study and Public Scoping for the Project were completed in September 2013.

Amendment No. 1 to the HDR Agreement, effective on November 13, 2012, was administrative in nature; the amendment transferred \$582,524 of unspent fees from the Planning Phase effort to the Supplemental Services task.

On June 9, 2015, the Board approved Amendment No. 2 to the HDR Agreement to extend the term from January 31, 2016 to January 31, 2017, and to increase the scope and fee for environmental documentation and Supplemental Services by \$800,000.

Staff is recommending Board approval of Amendment No. 3 for the HDR Agreement to expand the scope of services for environmental data collection and documentation that the modified Project will require. The modified Project will require additional stockpile and staging areas outside of the previously-identified Project footprint. Additional environmental data must be collected for these new areas, including traffic, plant, biological, and cultural surveys.

The impacts and mitigation measures relating to diversion during the longer construction period must also be assessed and included in the environmental documentation and permit applications. The 2013 Planning Study Report will be revised to reflect the modified Project. Amendment No. 3 will retroactively extend the Agreement term from February 1, 2017 to January 31, 2020. Table 2 summarizes the previously approved and currently-proposed amendment fees.

**Table 2: Summary of Planning/Environmental Consultant (HDR, Inc.)
Board-Approved and Staff-Recommended Scope and Fee-Related Amendments to Date**

Task	Description	Original Agreement NTE* Fees	Amend. No. 1 NTE Fees	Amend. No. 2 NTE Fees	Amend. No. 3 NTE Fees	Revised Total NTE Fees
1	Project Management	\$443,422	\$0	\$0	\$72,000	\$515,422
2	Planning Study	\$2,267,380	<\$582,524>	\$0	\$40,000	\$1,724,856
3	Environmental Documentation and Permitting	\$1,294,708	\$0	\$650,000	\$224,000	\$2,168,708
4	Design Support	\$130,208	\$0	\$0	\$0	\$130,208
5	Supplemental Services	\$60,373	\$582,524	\$150,000	\$225,000	\$1,017,897
TOTAL		\$4,196,091		\$800,000	\$561,000	\$5,557,091

* NTE = Not-to-Exceed

Next Steps

The Project work to be performed in the next several months and years:

1. Public Outreach: Staff will conduct one, or more, public meetings in March 2017 to inform the community on the changes to the Project work and schedule.
2. The Design Services Consultant (URS/AECOM) will continue 30% design for the modified embankment retrofit and will progress further on design of the other elements of this Project (i.e., a new intake structure; new low- and high-level outlets; and modifications to the existing spillway).
3. The Project description will be revised to reflect the modified Project, and environmental impact assessments and documentation prepared to date will be updated to consider new impacts.
4. Staff will hold meetings with key environmental regulatory agencies to discuss the permitting process and timeline.
5. Staff and Consultants will continue development of the detailed diversion operation plan for reservoir inflows during Project construction.
6. Staff will scope and negotiate an amendment with the Design Services Consultant to modify the scope, duration, and not-to-exceed fee for completion of the Design Phase for Board approval in June 2017.
7. Anticipated release of Draft EIR for public review - June 2018
8. Anticipated certification of Final EIR - June 2019
9. Anticipated acquisition of necessary permits - June 2020
10. Anticipated start of construction - Fall 2020.

FINANCIAL IMPACT:

Agreement No. A3555A with Black & Veatch for Project Management Services

Board approval of the Budget Adjustment for \$750,000 will ensure the Project has sufficient funds to encumber \$1,264,272 needed for the Anderson Dam portion of Black & Veatch's scope of work under Agreement A3555A in FY 2016-17. The budget adjustment will not negatively impact the Pacheco/Santa Clara Conduit Right of Way Acquisition Project because this project's FY 2016-17 planned expenditures have been delayed due to an extension of the U.S. Bureau of Reclamation's work on federal environmental documents. The remaining \$6,144,523 for Amendment No. 6 will be budgeted in FY 2017-18.

Almaden Dam Seismic Retrofit Project has sufficient funds in FY2016-17 budget to encumber \$131,000 for that Project's share of Black & Veatch's work described in Amendment No. 6.

\$1,000,000 of Amendment No. 6 fees for Calero/Guadalupe Dams Seismic Retrofits will be encumbered in FY 2017-18, with the remainder encumbered in FY 2018-19.

Agreement No. A3578A with HDR, Inc. for Planning/Environmental Services
Board approval of Amendment No. 3 to Agreement No. A3578A with HDR, Inc. for Planning/Environmental Services for a not-to-exceed fee of \$561,000 would result in a total not-to-exceed fee of \$5,557,091. The Agreement's current encumbrance is adequate to fund HDR's work efforts through FY 2016-17. The not-to-exceed fee for Amendment No. 3 will be budgeted in FY 2017-18.

Table 3: Summary of ADSRP Consultant Services Not-to-Exceed Fees

Consultant Services	Total Encumbered to Date	Amount added with 2/28/17 Amendments	Revised Not-to-Exceed Fee
Project Management (Black & Veatch)	\$8,649,809	\$5,120,175	\$13,769,984
Planning/Environmental Services (HDR)	\$4,996,091	\$561,000	\$5,557,091
Design (URS/AECOM)*	\$11,384,761	\$0	\$11,384,761
TOTAL	\$25,030,661	\$5,681,175	\$30,711,836

* Amendment for Design services expected in June 2017.

CEQA:

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

ATTACHMENTS:

Attachment 1: Amendment No. 6

File No.: 17-0005

Agenda Date: 2/28/2017
Item No.: 5.2.

Attachment 2: Amendment No. 3

UNCLASSIFIED MANAGER:
Katherine Oven, 408-630-3162