



Santa Clara Valley Water District

File No.: 18-0208

Agenda Date: 6/12/2018

Item No.: 3.4.

BOARD AGENDA MEMORANDUM

SUBJECT:

Amendment No. 3 to Agreement No. A3741G with Hydrometrics Water Resources Inc. for Consultant Services for a Not-to-Exceed Fee of \$151,531, Resulting in a Total Not-to-Exceed Fee of \$563,547 for the Groundwater Charge Zone Study ("Groundwater Benefit Zone Study").

RECOMMENDATION:

Approve Amendment No. 3 to Agreement No. A3741G with Hydrometrics Water Resources Inc. for Consultant Services for a Not-to-Exceed Fee of \$151,531, Resulting in a Total Not-to-Exceed Fee of \$563,547 for the Groundwater Charge Zone Study ("Groundwater Benefit Study") and to extend the Agreement term.

SUMMARY:

The purpose of the Groundwater Benefit Zone Study (Study) is to review the extent of the zones to ensure that well users are charged fairly and equitably for the services benefitting their area. The preliminary Study report has been completed and initial outreach on the draft findings has begun. The recommended Amendment No. 3 to Agreement A3741G (Agreement) with Hydrometrics Water Resources Inc. (Consultant) will extend the term of the Agreement to December 31, 2019 and increase the not-to-exceed fee limit to allow sufficient time and provide additional compensation for the Consultant to perform additional services as follows:

1. Support expanded outreach, including additional stakeholder and/or Board meetings, and the evaluation of additional data or detailed analysis from stakeholders.
2. Simplification of preliminary groundwater benefit zone boundaries to account for uncertainty with geologic mapping and other factors and support Board consideration.
3. Preparation of the legal survey description (metes and bounds) for new or modified zones, if directed by the Board.
4. Project management associated with the extended Agreement term.

Project Background

The District Act authorizes the Board to establish zones encompassing areas where groundwater pumpers benefit directly and indirectly from District activities to protect and augment water supplies. The District established the two primary groundwater charge zones, Zones W-2 and W-5, in 1963 and 1977, respectively.

The Board approved Consultant contract A3741G with Hydrometrics on June 28, 2014, with the goal of assessing the existing groundwater benefit zones and recommending any changes necessary to reflect District operations and associated benefits received by well users. The Agreement includes technical analysis, along with support for stakeholder outreach and Board consideration. Two previous amendments to the Agreement, executed by the Chief Executive Officer, have extended the term of the Agreement without increasing the Study budget.

Consultant Work Performed to Date

The Agreement with the Consultant for the Study includes the following tasks:

- Task 1 - Project Management Services
- Task 2 - Evaluate Charge Zone Criteria and Study Methodology
- Task 3 - Stakeholder Process
- Task 4 - Groundwater Charge Zone Study
- Task 5 - Groundwater Charge Zone Boundaries
- Task 6 - Supplemental Services

To date, the Consultant has performed the following services:

1. Charge Zone Criteria and Methodology: Developed charge zone criteria and completed the technical memo documenting the Study approach.
2. Stakeholder Outreach on the Study Methodology: Completed the communications plan and supported stakeholder outreach on the Study approach, including meetings with interested stakeholders, groundwater retailers, and the Board's Agricultural Water Advisory Committee.
3. Preliminary Study Report: Completed the data evaluation and the preliminary Study report, including the technical recommendations for revised groundwater benefit zones.

With Consultant support, the District is planning significant outreach on the preliminary Study results to ensure interested stakeholders, including well owners and water retailers, have ample opportunity for input. The Consultant will consider all stakeholder input and evaluate whether any related changes to the Study report are warranted. This process will ensure transparency and provide multiple stakeholder engagement opportunities prior to Board consideration of any potential zone changes.

The preliminary Study results were presented to the Water Retailers Groundwater Subcommittee in March 2018 and at the Board's Agricultural Water Advisory Committee and Water Commission meetings in April 2018. Staff is developing a plan for additional outreach, including individual well users who may be impacted by the Study.

Recommended Amendment No. 3 to Agreement No. A3741G

Staff recommends approval of Amendment No. 3, which will extend the term of the Agreement to December 31, 2019 and increase the not-to-exceed fee limit to allow sufficient time and provide additional compensation for the Consultant to perform additional services as follows:

1. Support expanded outreach, including additional stakeholder and/or Board meetings, and the evaluation of additional data or detailed analysis from stakeholders.
2. Simplification of preliminary groundwater benefit zone boundaries to account for uncertainty with geologic mapping and other factors and support Board consideration.
3. Preparation of the legal survey description (metes and bounds) for new or modified zones, if directed by the Board.
4. Project management associated with the extended Agreement term.

As noted in the June 24, 2014 Board agenda memo, Consultant services to prepare the metes and bounds were not fully funded due to the unknown extent of changes that would be recommended. The proposed amendment is expected to provide adequate funding to complete the metes and bounds if directed by the Board.

Because the specific tasks associated with the additional services for items 1 through 3 above are dependent on the District outreach strategy, stakeholder input, and Board direction, proposed Amendment No. 3 would increase the supplemental services budget for the Study. This would allow the District to authorize funds as needed based on outreach needs, stakeholder input, and Board direction received.

The current not-to-exceed fee for this Agreement is \$412,016. Approval of this proposed Amendment No. 3 would increase the total not-to-exceed fee by \$151,531 to a total not-to-exceed fee of \$563,547. A summary of the original tasks and budget from previous amendments and the recommended Amendment No. 3 is presented in Table 1.

**Table 1. Summary of Original Agreement
Through Amendment No. 3 Proposed Fees**

Task	Description	Original NTE Fee*	Amendment No. 1 NTE Fee*	Amendment No. 2 NTE Fee*	Amendment No. 3 NTE Fee*	Revised Total Fixed NTE Fee*
1	Project Management	\$70,352	N/A	N/A	\$8,064	\$78,416
2	Study Criteria and Methodology	\$56,930	N/A	N/A	N/A	\$56,930
3	Stakeholder Process	\$95,455	N/A	N/A	N/A	\$95,455
4	Groundwater Charge Zone Study	\$123,550	N/A	N/A	N/A	\$123,550

5	Groundwater Charge Zone Boundaries	\$19,986	N/A	N/A	N/A	\$19,986
6	Supplemental Services	\$45,743	N/A	N/A	\$143,467	\$189,210
Total NTE Amount		\$412,016	\$0	\$0	\$151,531	\$563,547

*NTE = Not-to-Exceed

Staff Management of Consultant Agreements

Staff has been monitoring and managing the Consultant's performance to meet the goals and terms of the Agreement. The Consultant is also required to submit detailed monthly progress/status reports with their invoices. District staff reviews and analyzes these reports before approval of any payment to the Consultant.

As part of the deliverable acceptance process, District staff also performs QA/QC reviews of all deliverables received from the Consultant for compliance with the Agreement scope, budget, and schedule.

Next Steps

Upcoming work to be performed includes:

1. Support stakeholder outreach on the preliminary Study, respond to technical comments, and revise the preliminary Study report as necessary.
2. Present the preliminary Study report and recommendations for new or modified groundwater benefit zones to the Board for consideration.
3. If the Board approves changes to the groundwater benefit zones, prepare the legal descriptions for Board consideration and finalize the Study report.

FINANCIAL IMPACT:

Amendment No. 3 to Agreement A3741G with Hydrometrics Water Resources Inc. for the Groundwater Charge Zone Study will add a not-to-exceed fee of \$151,531, resulting in a total not-to-exceed fee of \$563,547. The additional fees for this Amendment are available in the FY2018 Water Utility Enterprise budget.

CEQA:

The recommended action does not constitute a project under the 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

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ATTACHMENTS:

Attachment 1: Amendment No. 3

UNCLASSIFIED MANAGER:

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