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**Title:** SUBJECT: Public Hearing - Authorization for Demolition of Well Site #3 Elevated Tank, Project No. 117047

REPORT IN BRIEF

Consider authorizing actions to remove the elevated water storage tank at Well Site #3, including certification of the Final Environmental Impact Report (EIR).

RECOMMENDATION

City Council - Adopt a motion:

- A. Adopting Resolution 2018- 56, a Resolution of the City Council of the City of Merced, California, approving and certifying a final Environmental Impact Report for the Well 3 Tank Demolition Project, making findings and determinations, adopting a statement of facts and overriding considerations, and adopting a Mitigation Monitoring Program; and,
- B. Approving an amendment to agreement for professional services (environmental compliance) with Rincon, Incorporated; and,
- C. Approving an agreement for professional services (engineering design services) with Cardno, Incorporated, in the amount of \$88,361; and,
- D. Authorizing the City Manager or Assistant City Manager to execute the necessary documents.

Sponsors:

Indexes:

Code sections:

**Attachments:** 1. Resolution 2018-56, 2. Environmental Impact Report, 3. Rincon Contract Amendment, 4. Cardno, Inc. Contract

Date	Ver.	Action By	Action	Result
8/20/2018	1	City Council/Public Finance and Economic Development Authority/Parking Authority	approved as amended	Pass

*Report Prepared by: Joseph D. Angulo, Environmental Project Manager, Engineering Division*

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## RECOMMENDATION

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## ALTERNATIVES

- 1. Approve the certification of the Final EIR and demolition of the Well Site #3 elevated tank, as recommended by staff; or,
- 2. Approve, subject to modifications as conditioned by City Council; or,
- 3. Deny.

## AUTHORITY

Charter of the City of Merced, Section 200, et seq.

Services with an estimated value greater than \$30,000 are made by written contract in accordance with Merced Municipal Code, Title 3 - Revenue and Finance, Chapter 3.04.

California Public Resources Code, Section 5024.1 - California Register of Historical Resources

## CITY COUNCIL PRIORITIES

As provided for in the 2018-19 Adopted Budget

## DISCUSSION

### Municipal Well Site 3

Merced's Well Site #3 is located at 511 West 12<sup>th</sup> Street. The well site currently includes a groundwater supply well designated Well 3C and a 140-foot high elevated water tank structure. The 300,000-gallon riveted steel tank was installed in 1934 for maintaining water system pressure in the growing City of Merced. The system was designed so that groundwater is pumped out of the well and into the elevated storage tank. The water then flows under the influence of gravity from the elevated tank to the City's piping distribution system. When the water reaches a low level in the tank, it automatically turns on Well 3C to refill the tank. This arrangement served to maintain pressure in the piping system to provide a dependable water supply for the City's residents and businesses. However, if other Merced wells are pumping and supplying adequate water pressure to the system,

then the tank will remain full and Well 3C will not start pumping.

The original City Well 3 was installed on the subject site in the 1920s. Replacement wells 3A and 3B were installed on the parcel in the 1950s. These two wells were impacted by the chemical Tetrachloroethylene, also known as Perchloroethylene (PCE). Wells 3A and 3B were destroyed in 1987 due to the PCE impacts and Well 3C was installed that same year to replace the older, shallower wells. Unfortunately, Well 3C was also impacted and it has intermittently contained detectable concentrations of PCE.

A PCE groundwater treatment system consisting of four (4) twenty-thousand (20,000) pound carbon vessels was installed at the site in September 2017. The groundwater is pumped from Well 3C, through the carbon filtration vessels, and then directly into the water piping distribution system. This plumbing arrangement completely bypasses the elevated tank. One important aspect of the PCE treatment system is that Well 3C must be operated (pumped) to send as much water as possible through the carbon vessels. Besides the primary purpose of providing a clean drinking water source to Merced, this is also to prevent the water in the vessels from becoming stagnant and facilitating the formation of bacteria on the carbon media. The 300,000-gallon water tank cannot be used as in the past because it would cause idle periods of non-pumping due to the large storage capacity of the tank. This situation will hinder the proper operation of the PCE treatment system as noted above.

Staff recommend demolishing the Well Site #3 tank as it is no longer needed to operate Merced's water supply system. It has been disconnected from the water system as its continued use would serve as an impediment to the proper operation of the PCE groundwater treatment system.

#### California Environmental Quality Act (CEQA)

On August 16, 2017, staff issued a Statement-of-Services contract to Rincon Consultants, Inc. (Rincon). The contracted work included completing the CEQA Initial Study and related tasks for the proposed tank demolition. Rincon initiated work and subsequently informed staff of the following historical resource findings on the tank:

- In 1985, the City of Merced Redevelopment Agency received grant funding from the California Office of Historic Preservation (OHP). The funds were used to conduct a historical building survey for the purpose of identifying buildings or sites as eligible for inclusion in the local register of historical resources. The "Station No.3 Water Tower" was included in the 1985 survey.
- The water tower has been used for placement of telecommunications equipment on its upper catwalk. In 2001, Nextel Communications (Nextel) completed a historical survey for the tank in compliance with Federal Communication Commission (FCC) rules. This work was done in preparation for erecting cellular antennas on the tank. Nextel's consultant discovered the tank was listed in the California Historical Resource Information System (CHRIS database). The consultant provided the OHP with this finding and requested that the project be approved based on a conclusion that the antennas would not adversely affect the "historical property". The OHP responded in an August 9, 2001, letter that included "...the Station No. 3 Water Tower in Merced is eligible for the NRHP..." (National Register of Historic Places).

- Under Section 15064.5 of CEQA, a resource shall be considered “historically significant” if the resource meets the criteria for listing on the California Register of Historic Resources (CHRIS database). The tank is currently included on the list and therefore the proposed demolition of the tank is a significant impact to the environment. This triggered the requirement for an Environmental Impact Report.

### Environmental Impact Report (EIR)

On November 20, 2017, the City Council awarded an Agreement for Professional Services to Rincon to carry out the required tank demolition EIR and associated reporting and public notification tasks. Rincon identified the demolition of the tank itself, a cultural resource, as the one significant and unavoidable impact for the proposed project.

CEQA requires decision-makers to balance the benefits of the proposed project against its unavoidable environmental risks in determining whether to approve the project under consideration. A "Statement of Overriding Considerations" is necessary to explain that the benefits of the project have been considered and outweigh the unavoidable adverse effects.

On May 10, 2018, the Draft EIR was released for its 45-day public review. No comments were received on the Draft EIR, and Rincon subsequently prepared a Final EIR for the project, also enclosed.

The Draft Resolution at Attachment 1 under consideration approves the Final Environmental Impact Report for the Well 3 Tank Demolition Project, and adopts the required Statement of Facts and Overriding Considerations. The Resolution also includes adoption of a Mitigation Monitoring Program that has an element to address the adverse change to the historical resource that the demolition of tank presents. Rincon recommended that a historical documentation of the tank be completed prior to the issuance of demolition permits. This task will serve to reduce, but not eliminate, the impact of the tank removal.

CEQA EIR Mitigation Measure for a Cultural Resource Impact --The City shall perform a “Historical American Building Survey” mitigation measure for the tank demolition. This involves obtaining photographs of and preparing a detailed historic narrative report for the tank in accordance with State and Federal guidelines. The work shall be performed by a qualified professional and compiled in an archival-quality documentation package that will be offered to UC Merced and the Merced County library for access to researchers.

Staff requested a proposal from Rincon to perform the above mitigation measure. Their contract amendment under consideration includes the tasks to perform the research and photography necessary to provide the detailed archival-quality documentation.

### Request-for-Proposals

Staff solicited proposals to obtain the services of a consulting firm with an appropriately licensed structural engineer with demolition experience. Two firms submitted proposals as of the suspense date. An evaluation committee was convened consisting of Public Works Department Water and Engineering staff members. Each member rated the proposals by granting up to 100 points on

criteria including, but not limited to: staff qualifications, technical experience, technical approach and completeness. Shown below are the proposals' combined scores out of a maximum possible of 400 total points:

Cardno Inc., Ventura, California	370
GHD Inc., Emeryville, California	334

The evaluators selected Cardno Inc. as the superior proposal. Staff requested that Cardno Inc. provide a scope-of-work to evaluate the conditions at the Well Site #3 and make recommendations for the tank demolition.

The Cardno Inc. contract under consideration includes:

- Evaluating Well Site #3 and the surrounding residential area;
- Prepare a demolition plan that ensures public safety and property considerations;
- Preparation of Plans, Specifications and Engineer's Cost Opinion for the tank demolition and site restoration; and,
- Performing bidding and demolition oversight management.

The Cardno Inc. fee proposal for completing the above tasks is for the not-to-exceed sum of \$88,361. Staff will request authorization from the City Council at a future date to award the tank demolition contract.

### **IMPACT ON CITY RESOURCES**

This project was established as a Capital Improvement Project and account 557-1106-637.65-00-117047 contains sufficient funding to complete the project.

The existing Rincon contract contains sufficient funding and no additional appropriation is necessary for their amendment. Significant savings were realized by a lack of public comments on the Draft EIR and the associated need to respond and conduct public meetings.

### **ATTACHMENTS**

1. Resolution 2018-56
2. Environmental Impact Report
3. Rincon Contract Amendment
4. Cardno, Inc. Contract