



Legislation Details (With Text)

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On agenda: 6/15/2020 **Final action:** 6/15/2020
Title: SUBJECT: Approving the Fifth Amendment to the Professional Services Agreement with Stantec Consulting Services, Inc., for Additional CEQA/EIR and Assessment District Formation Efforts for the City of Merced Wastewater Collection System (Sewer) Master Plan Update

REPORT IN BRIEF

Considers approving a fifth amendment to an agreement with Stantec Consulting Services, Inc., for additional CEQA/EIR related efforts, including development of a second administrative draft environmental impact report, addressing the project level nature approach specifically relating to the air quality and greenhouse gas (GHG) sections and additional efforts related to the potential assessment district formation.

RECOMMENDATION

City Council - Adopt a motion approving a fifth amendment to professional services agreement with Stantec Consulting Services, Inc., in the additional amount of \$61,500 for the City of Merced Sewer Master Plan Update; and, authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Fifth Amendment, 2. Scope of Services Amendment No. 5.pdf

Date	Ver.	Action By	Action	Result
6/15/2020	1	City Council/Public Finance and Economic Development Authority/Parking Authority	approved	Pass

Report Prepared by: Ken F. Elwin, PE, Director of Public Works

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ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to conditions other than recommended by staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
3. Deny; or,
4. Refer to staff for reconsideration of specific items (specific items to be addressed in the motion); or,
5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

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

Services with an estimated value greater than \$32,000.00 are made by written contract in accordance with Merced Municipal Code, Title 3 - Revenue and Finance, Chapter 3.04.

CITY COUNCIL PRIORITIES

As provided for in the Fiscal Year 2019/2020 Adopted Budget.

DISCUSSION

In April 2013, the City of Merced (City) authorized Stantec Consulting Services, Inc. (Stantec) to prepare an update to the City's 2007 Draft Sewer Master Plan. The scope of that effort included the following major tasks:

1. Update New Land Use Assumptions (2030 Vision General Plan) and Wastewater Flows;
2. Assess Available Capacity in Sewers;
3. Determine Sewer System Needs at General Plan Buildout;
4. Develop Interim Service Plan;
5. Develop Sewer Repair and Replacement Program;
6. Develop Industrial Waste Acceptance Decision Matrix;
7. Project Meetings;
8. Prepare Draft and Final Master Plan Report; and,
9. Project Management and Administration.

Amendment No. 1 also placed on hold the following tasks as originally described in the Agreement:

- Develop Sewer Repair and Replacement Program - Task 5
- Prepare Draft and Final Master Plan Report - Task 8

Funding for the modifications to Tasks 3, 4, 6, 7 and 9 was made available through Amendment No. 1, by reducing the authorized budgets for Task 5 and 8, which were placed on hold. The end result of Amendment No. 1 was no net increase or decrease in the originally authorized budget (\$112,000).

Amendment No. 2 provided for finalizing the Sewer Master Plan, as well as additional tasks requested by City staff. With regards to the additional tasks in Amendment No.2, there are two that should be highlighted that deals with (1) the coordination and review of satellite pretreatment facilities

engineering evaluation, and (2) the associated CEQA Environmental documentation.

Amendment No. 3 included modifications to some of the existing approved tasks, as well as additional tasks, including an evaluation of satellite treatment plants, an evaluation of the potential expansion of the Wastewater Treatment Facility (WWTF), including an opinion of potential cost, and looking at financing options for the implementation of the recommendations in the final Draft Sewer Master Plan.

Amendment No. 4 included additional costs for Tasks 15 through 20 associated with CEQA document development and preparation, development of cost estimates for the two WWTRF location options added to the report, updates to the previously developed system hydraulic model to address comments provided by both City staff and stakeholders, update of previously developed simulation scenarios, and additional effort for field studies in support of a project specific evaluation of specific potential construction impacts with regards to Plan A. This amendment also included additional effort required for preparation of a second draft report (Final Draft Master Plan), which included among others, the addition of three additional sections and an executive summary section, as well as, changing the name of "Sewer Master Plan" to the "Wastewater Collection System (WCS) Master Plan" and adjusted task budgets to allow for additional costs due to scope creep of the previously approved amendments and included additional evaluation of a satellite treatment facility and additional stakeholder meetings as well as additional City Council workshops regarding input to the draft plan.

This amendment (#5) includes additional effort related to Task 9 (Project Management and Administration), Task 17 (Preparation of the Draft EIR), and Task 24 (Assessment District Formation Assistance). The brief description below gives a more detailed explanation as to the reason the extra effort is needed to complete the EIR and thus the amendment.

Change in Project Description

Stantec was originally scoped to prepare a Programmatic EIR to support the City in 2015. After discussion with the City team there was an interest in trying to streamline future utility extensions for development, so the decision was made to have the EIR evaluate both a Program and Project level impacts. This was a change that required reformatting and revisions of the analysis to address this sweeping change that effected each of the resource considerations. Additionally, in order to address the Project level nature in the EIR one resource consideration that needed a revised approach specifically was the Air Quality and GHG sections that needed to be remodeled to account for the Project level details and the December 2018 OPR Climate Change Advisory. In December of 2018, OPR issued a draft CEQA and Climate Change Advisory seeking input from the public on issues and topics that arise in greenhouse gas emissions analyses under CEQA. This advisory updates a 2008 advisory to reflect recent legislative mandates to reduce greenhouse gas emissions and establish emission reduction targets, as well as a growing body of case law and CEQA amendments that address climate change and greenhouse gas emissions. The draft CEQA and Climate Change Advisory recommends that agencies adopt significance thresholds based on efficiency, compliance with state goals, consistency with relevant regulations or quantitative thresholds; and provides guidance on adopting mitigation measures. The draft Advisory restates the legislative mandate for lead agencies to tier or streamline their environmental documents wherever feasible, and suggests the preparation of a greenhouse gas emission reduction plan that later environmental documents may tier from or incorporate by reference.

In relation to the 2018 CEQA guidelines, changes to the Appendix G checklist required us to evaluate new and modified resource impacts for:

- Energy

The CEQA Guidelines amendments incorporate a new *subdivision (b) of Section 15126.2, Consideration and Discussion of Significant Environmental Impacts*. While the existing *Appendix F* (revised in 2009) clarifies that analysis of energy impacts is mandatory, the Agency added *subdivision (b) to section 15126.2* to remove any question about whether such an analysis is required. Of particular note here, the revision emphasizes that compliance with building codes alone is likely not going to be sufficient. The Agency's Statement of Reasons also clarifies that a "full 'lifecycle' analysis that would account for energy used in building materials and consumer products will generally not be required." The new subdivision (b) reads:

(b) Energy Impacts. If analysis of the project's energy use reveals that the project may result in significant environmental effects due to wasteful, inefficient, or unnecessary use of energy, or wasteful use of energy resources, the EIR shall mitigate that energy use. This analysis should include the project's energy use for all project phases and components, including transportation-related energy, during construction and operation. In addition to building code compliance, other relevant considerations may include, among others, the project's size, location, orientation, equipment use and any renewable energy features that could be incorporated into the project. (Guidance on information that may be included in such an analysis is presented in *Appendix F*.) This analysis is subject to the rule of reason and shall focus on energy use that is caused by the project. This analysis may be included in related analyses of air quality, greenhouse gas emissions, transportation or utilities in the discretion of the lead agency.

- Wildfire

Given the extreme and devastating fire seasons in California during the past several years, it is no surprise that new requirements have been added to CEQA to address a project's impacts on wildfire hazards. A new *Section XX* has been added to *Appendix G* to address the need to evaluate wildfire impacts. This section focuses on whether projects located in or near state responsibility areas (where the state has financial responsibility of preventing and suppressing fires), or lands classified as very high fire severity zones by local agencies, would:

"Substantially impair an adopted emergency response plan or emergency evacuation plan"; "Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to, pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire"; "Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines, or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment"; or "Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes." CalFire publishes Fire Hazard Severity Zone Maps for all regions in California, which can be viewed [here](#). The fire hazard measurement used as the basis for these maps includes the speed at which a wildfire moves, the amount of heat the fire produces, and most importantly, the burning fire brands that the fire sends ahead of the flaming front. Lead agencies and project proponents can review the CalFire maps to determine whether a given project site will be subject to the new CEQA wildfire impacts analysis.

Given the programmatic nature of such utility planning studies, they often take a considerable amount of time to solidify a stable project description before it can move forward as a "project" under CEQA. Because of the unanticipated time delays related to the project description and associated project components, the schedule became protracted beyond what was anticipated in the original contract and scope of work; as such, the consultant's team required additional funds for management and meetings to continue work.

The City has prepared and approved to form the amendment to professional services agreement and it is signed by the consultant (Attachment 1).

History and Past Actions

The Sewer Master Plan is designed to evaluate and help the City plan and expand its wastewater collection sewer system to meet the needs of its growing population.

As part of a prior contract, Stantec Consulting Services, Inc., previously known as ECO:LOGIC, was hired to update the North Merced Sewer Master Plan. Later, amendments to the contract added work for the South Merced Sewer Master Plan, and subsequently to develop a comprehensive Merced Sewer Master Plan based on the existing 2015 SUDP/SOI.

During 2006-2007, new development boundaries were being proposed as part of the General Plan Update. As a result of the uncertainty of the SUDP/SOI boundary during the General Plan evolution, it was decided to postpone the finalization of Sewer Master Plan since it was directly tied to the City's overall growth boundary. Subsequently, a 2007 Draft Sewer Master Plan was prepared by the Consultant based on the wastewater system analysis up to that point. It was the intent that once the Merced Vision 2030 General Plan was adopted, the Draft Sewer Master Plan would be finalized and submitted for formal adoption by the City Council.

With the adoption of the City's Merced Vision 2030 General Plan, it was decided that the 2007 Draft Sewer Master Plan needed to be finalized based on the new 2030 Specific Urban Development Plan/Sphere of Influence (SUDP/SOI).

At the April 1, 2013, City Council meeting, Council approved an \$112,000 contract with Stantec Consulting Services, Inc., to resume the update of the wastewater collection system model and Sewer Master Plan work that was put on hold in 2007 to include the proposed 2030 SUDP/SOI.

At the June 16, 2014, City Council meeting, Council approved a no cost First Amendment with Stantec Consulting Services, Inc., for a scope of work change to include the development of additional servicing alternatives not originally included in the agreement.

Task 4 of the agreement was also modified to include additional interim servicing plans that involved both UC Merced and the UC Campus Communities North and South.

Task 6 of the agreement was modified with Amendment No. 1 to include evaluation of remaining WWTF capacity. This was undertaken in the context of the potential to serve one or more significant industrial users, while still meeting existing City service commitments. The effort associated with Task 6 and the projection of future WWTF influent flows described as part of Task 3 (see above) were discussed in a summary report entitled Merced WWTF Industrial Waste Acceptance Evaluation (May 2014, Stantec).

In addition, more effort was desired in the form of Stantec participation in City Council and stakeholder meetings. The intent of these meetings was to present alternative sewer servicing concepts to the City Council and stakeholders to allow for input and direction allowing Stantec to produce a master plan document. This additional effort was reflected in Task 7, project meetings.

A small increase in the allowance for Task 9, Project Management and Administration was authorized with Amendment No. 1 as well, to account for the additional time the system evaluation would require beyond the schedule in the original Agreement authorization.

Amendment No. 1 also placed on hold the following tasks as originally described in the Agreement:

- Develop Sewer Repair and Replacement Program - Task 5
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Funding for the modifications to Tasks 3, 4, 6, 7 and 9 was made available through Amendment No. 1, by reducing the authorized budgets for Task 5 and 8, which were placed on hold. The end result of Amendment No. 1 was no net increase or decrease in the originally authorized budget (\$112,000).

Amendment No. 2, dealt primarily with the addition of the task for the preparation of the Draft EIR and some other minor amendments to the existing tasks. The end result of Amendment No. 2 was a net increase in the originally authorized budget (\$324,000).

Amendment No. 3 focused on financing options for a potential Assessment District, as well as evaluated the concept of a satellite treatment facility and expansion of the City's WWTF.

Amendment No. 4 allowed for additional CEQA/EIR related efforts, updates to the Wastewater Collection System Master Plan, including additional stakeholder and staff input on the draft plan, as well as further specific task evaluation(s).

IMPACT ON CITY RESOURCES

Account 553-1107-532.17-00 - Project 113059 contains sufficient funding for the contract amendment.

ATTACHMENTS

1. Fifth Amendment
2. Scope of Services Amendment No. 5