

## RESOLUTION NO. 2011-270

Adopted by the Sacramento City Council

May 12, 2011

### **AUTHORIZING BUDGET APPROPRIATIONS AND AWARDED CONTRACT FOR FOLSOM BOULEVARD WATER TRANSMISSION MAIN PROJECT (Z14004200) TO MARK III CONSTRUCTION, INC.**

#### **BACKGROUND**

- A. On December 10, 2010, the City Council approved Resolution 2010-723 authorizing the execution of a Wholesale Water Supply Agreement (Agreement) with California American Water Company (Cal Am), whereby the City will provide surface water to Cal Am and will generate additional revenue for the City's water fund.
- B. In order for the City to wholesale water to Cal Am's Rosemont service area, a transmission main is required to be constructed to connect the City's existing water system to Cal Am pipelines. The completion of this project will also allow surface water deliveries in the City's American River Place of Use to be extended and optimized, reducing the groundwater extraction from the over-drafted Central Groundwater Basin.
- C. The Agreement requires Cal Am to pay Connection Fees for Capital Costs related to surface water diversion, treatment and transmission facilities, and groundwater capacity. The Connection Fees are estimated to total \$4,405,073; \$2,000,000 has already been received, \$300,000 will be received as reimbursement of the service connection meter cost, and the balance will be paid not later than thirty days after Cal Am receives California Public Utility Commission approval per the Agreement.
- D. Cal Am's Connection Fee payments will be used in three projects: 1) The Folsom Boulevard Water Transmission Main Project, Florin-Perkins Road to South Watt Avenue (Project Z14004200); 2) Project Z14009600 to enhance groundwater capacity; and 3) Project Z14006700 for wholesale water connection improvements. Project Z14004200 also is being funded by a CALFED Proposition 50 Grant in the amount of \$750,000.
- E. The Folsom Boulevard Water Transmission Main Project, Florin-Perkins Road to South Watt Avenue (Z14004200) will place approximately 4050 feet of 24-inch water transmission main with associated appurtenances, including a metering vault, along Folsom Boulevard from Florin-Perkins Road to approximately 700 feet west of South Watt Avenue.
- F. City staff prepared a set of plans and specifications for the project and the project was advertised for bidding, with bids received on March 9, 2011.
- G. Mark III Construction, Inc. was the lowest responsible bidder.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

Section 1. The City Council finds as follows:

- A. The Folsom Boulevard Water Transmission Main Project, Florin-Perkins Road to South Watt Avenue (Folsom Boulevard Water Main Project) was included in the scope of the Mitigated Negative Declaration (MND) prepared for the Cal Am Agreement. In accordance with the California Environmental Quality Act (CEQA), the MND was prepared and circulated for public review for a 30-day period, followed by the City Council's adoption of the MND and associated Mitigation Reporting Program prior to approval of the Cal Am Agreement, on December 14, 2010 (City Council Resolution No. 2010-723).
- B. The City Council has reviewed and considered the previously adopted MND and Mitigation Reporting Program and determined that no additional or subsequent environmental review or documentation is required for the Folsom Boulevard Water Main Project, based on the reasons set forth below:
  1. No substantial changes are proposed by the Folsom Boulevard Water Main Project that will require major revisions of the previously adopted MND due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
  2. No substantial changes have occurred with respect to the circumstances under which the Folsom Boulevard Water Main Project will be undertaken that will require major revisions to the previously adopted MND due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and
  3. No new information of substantial importance has been found that shows any of the following:
    - a. The Project will have one or more significant effects not discussed in the previously adopted MND;
    - b. Significant effects previously examined will be substantially more severe than shown in the previously adopted MND;
    - c. Mitigation measures previously found to be infeasible would in fact be feasible and would substantially reduce one or more significant effects of the Project; or
    - d. Mitigation measures which are considerably different from

those analyzed in the previously adopted MND would substantially reduce one or more significant effects on the environment.

- C. The Mitigation Reporting Program adopted for the Cal Am Agreement contains mitigation measures that will be implemented for the Folsom Boulevard Water Main Project.
- D. In addition, CEQA does not apply to the installation of new pipelines of less than one mile in length installed within a public street or right-of-way (Public Resources Code § 21080.21).

Section 2: The City Manager is authorized to make the following budget appropriations for revenues and expenditures in the total amount of \$3,050,000:

1) Establish revenue budget in the amount of \$2,000,000 in Fund 6001(Water Development Fees). Establish expenditures budgets in the amount of \$1,250,000 in the Wholesale Connection Fee Improvement Project (Z14006700) and in the amount of \$750,000 in the T-Main CA-America Rosemont Project (Z14004200).

2) Accept and establish revenue and expenditure budgets in the amount of \$750,000 for the CALFED Proposition 50 grant received from the Department of Water Resources in the T-Main CA-America Rosemont Project (Z14004200)

3) Establish revenue and expenditure budgets in the amount of \$300,000 for the reimbursement of the service connection cost from Cal Am in Z14004200.

Section 3: The City Manager is authorized to make the following budget appropriations for revenues and expenditures for the balance of the Connection Fees payable under the Cal Am Agreement in the estimated amount of \$2,105,073, upon receipt as follows:

1) Establish revenue budget in the amount of \$2,105,073 in Fund 6001.

2) Budget appropriations in the amount of \$1,500,000 in the Conjunctive Use-Groundwater Wells Project (Z14009600) in Fund 6001.

3) Budget appropriations in the amount of \$605,073 in the Wholesale Connection Fee Project (Z14006700) in Fund 6001.

Section 4. The contract plans and specifications for the Folsom Boulevard Water Transmission Main Project, Florin-Perkins Road to South Watt Avenue (Z14004200), are approved, and the contract is awarded to Mark III Construction, Inc., for an amount not to exceed \$1,087,655.

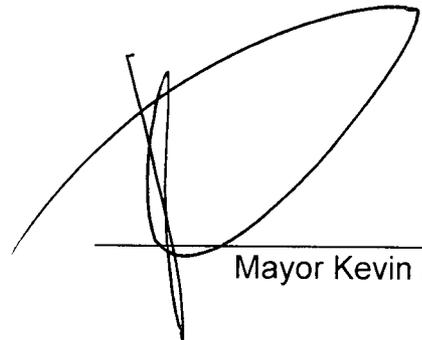
Adopted by the City of Sacramento City Council on May 12, 2011 by the following vote:

Ayes: Councilmembers Ashby, Cohn, D Fong, R Fong, McCarty, Sheedy, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: Councilmembers Pannell and Schenirer.



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Mayor Kevin Johnson

Attest:

  
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Shirley Concolino, City Clerk