



City of Sacramento City Council

3

915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: 1/22/2013

Report Type: Consent

Title: Agreement Amendment: Purchase of Conservation Credits for Sacramento River Ranch
VELB Conservation Bank

Report ID: 2013-00101

Location: District 1

Recommendation: Pass a Motion authorizing the City Manager or the City Manager's designee to approve an amendment to the Water Treatment Plants Rehabilitation Project's Valley Elderberry Longhorn Beetle (VELB) mitigation agreement to increase the VELB conservation credits purchased from 69 to 81, for an additional cost of \$42,000.

Contact: Bill Busath, Engineering Manager, (916) 808-1434; Dan Sherry, Supervising Engineer, (916) 808-1419 - Department of Utilities

Presenter: None

Department: Department Of Utilities

Division: Cip Engineering

Dept ID: 14001321

Attachments:

1- Description/Analysis

2 - Background

3 - Location Map

City Attorney Review

Approved as to Form
Joe Robinson
1/16/2013 4:22:16 PM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
1/14/2013 12:57:35 PM

Approvals/Acknowledgements

Department Director or Designee: Dave Brent 1/16/2013 9:25:27 a.m.



Description/Analysis

Issue: The Water Treatment Plants Rehabilitation Project (Project) will update and replace critical infrastructure at both the Sacramento River (SRWTP) and EA Fairbairn (EAFWTP) water treatment plants. On November 20, 2012, Council passed Resolution No. 2012-391 that authorized the City Manager to contract with Wildlands, Inc. and Sacramento River Ranch LLC for Valley Elderberry Longhorn Beetle (VELB) mitigation at SRWTP. The \$22,605 contract with Wildlands Inc. requires the transplant of 18 elderberry bushes from SRWTP to the Sacramento River Ranch Conservation Bank. The \$241,500 contract with Sacramento River Ranch LLC is an agreement for the City to purchase 69 VELB conservation credits at a contract unit price of \$3,500 each. While City crews were clearing vegetation in preparation of the transplant work, additional elderberry bush stems larger than 1-inch were discovered that effectively increases the required number of VELB conservation credits to be purchased from 69 to 81 (an increase of 12). The proposed \$42,000 contract amendment with Sacramento River Ranch, LLC, allows the City to purchase an additional 12 conservation credits at the contract unit price of \$3,500 per credit.

Policy Considerations: The Project, which updates infrastructure necessary for safe and reliable water supply, is consistent with City Council focus areas of public safety, economic development, livability, and sustainability. Approval of this amendment for purchase of additional VELB conservation credits will minimize the potential for delay of the Project, which is essential to the health and safety of the City residents.

Economic Impacts: None.

Environmental Considerations: In order to fulfill applicable CEQA requirements, City Council passed Resolution No. 2012-067 on March 20, 2012, which adopted the mitigated negative declaration and mitigation reporting program for the Project.

On August 9, 2012, the United States Fish and Wildlife Service (USFWS) issued a Biological Opinion for the project (ref. No. 08ESMF00-2012-F-0592) that indicates 18 onsite Elderberry bushes are to be transplanted to a USFWS approved conservation bank, and the City is to purchase 69 VELB conservation credits from a USFWS approved conservation bank. Transplanting the elderberry bushes from SRWTP and purchasing VELB conservation credits is consistent with mitigation measure BIO-2A of the adopted mitigated negative declaration. Based on the recent discovery of additional elderberry bush stems and coordination with the Project's environmental consultant, the USFWS is revising the Biological Opinion to increase the required number of conservation credits from 69 to 81. Once that revision is issued, no additional CEQA action is required other than to perform the required mitigation.

Sustainability: The Project is consistent with the City's Sustainability Master Plan as it provides a safe and reliable potable water supply for the Sacramento Region.

Commission/Committee Action: Not Applicable.

Rationale for Recommendation: Unforeseen conditions led to the increased elderberry bush stem count, upon which the conservation credit count is based. Extensive overgrowth of blackberry, grape, and other plants covered many of the elderberry bushes discovered on property purchased

for the SRWTP rehabilitation. Without a USFWS Biological opinion in hand, limited clearing was performed in order to make the initial elderberry bush stem count. Performing more extensive clearing risked damaging the bushes and resident Longhorn Beetles. Similarly, unbeknownst to all when the initial stem count was made, the existing fence is several feet south of the actual property line. Most of the newly counted stems are on the acquired property, north of the existing fence.

Augmenting the Project budget by \$42,000 is necessary to purchase the additional VELB conservation credits.

Financial Considerations: The Water Treatment Plants Rehabilitation Project (Z14006000) is currently budgeted at \$10.55 million thru bidding. There is sufficient funding in the CIP to award this amendment.

Emerging Small Business Development (ESBD): Not applicable. None of the firms approved by USFWS to sell VELB conservation credits for the Project is an emerging or small business enterprise, and there is no opportunity to subcontract a portion of the conservation credit sale.

BACKGROUND

The City's two water treatment plants, the Sacramento River Water Treatment Plant (SRWTP) and the EA Fairbairn Water Treatment Plant (EAFWTP), were constructed in the 1920's and 1960's, respectively. Critical infrastructure and equipment at SRWTP is over 90 years old and needs to be replaced. Improvements are also needed at EAFWTP to maintain reliable capacity. In order to provide a safe and reliable water supply today and in the future for Sacramento, it is imperative that the treatment plants be rehabilitated. The Water Treatment Plants Rehabilitation Project (Project) is bidding now, and construction is anticipated to start in March of 2013.

On November 20, 2012, Council approved Resolution No. 2012-391 that authorized award of contracts with Wildlands Inc., and Sacramento River Ranch LLC for Valley Elderberry Longhorn Beetle (VELB) mitigation at the SRWTP site. The elderberry bush is a host plant for the endangered longhorn beetle, and there are 18 elderberry bushes at SRWTP in the way of the Project construction. In accordance with the Wildlands contract, City staff was removing vegetation covering the elderberry bushes in preparation of transplant work to be performed by Wildlands, when additional elderberry bush stems in excess of 1-inch diameter were observed.

The United States Fish and Wildlife Service (USFWS) Biological Opinion issued for the Project (ref. No. 08ESMF00-2012-F-0592) required 18 Elderberry bushes at SRWTP be transplanted to a USFWS-approved conservation bank, and required the City to purchase of 69 VELB conservation credits from a USFWS approved conservation bank. Based on finding additional elderberry bush stems exceeding 1-inch in diameter, and per consultation with the City's environmental consultant for the Project, the USFWS is revising the Biological opinion. The revision will increase by 12 the required number of conservation credits to be purchased (from 69 to 81).

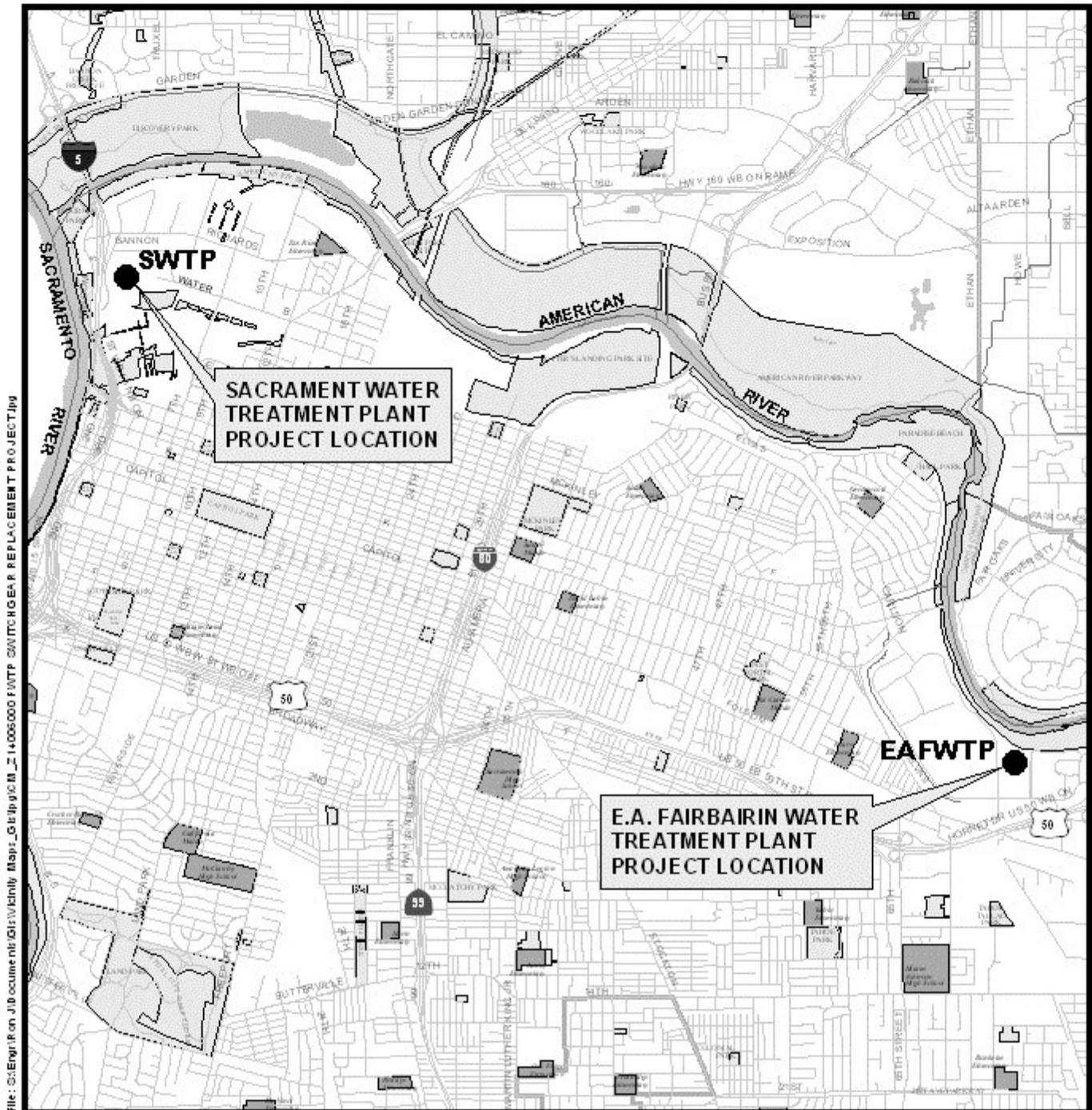
There is a narrow seasonal window (November 1st thru February 15th) each year to transplant elderberry bushes, and the conservation bank is not supposed to accept elderberry bush transplants without a current USFWS Biological Opinion. The USFWS is also a signatory approving the agreement between the City and Sacramento River Ranch LLC for the sale and purchase of conservation credits.

In order to complete the VELB mitigation this year prior to the end of the transplant window, and thus not delay any of the SRWTP rehabilitation construction, staff is requesting authorization for the City Manager or City Manager's designee to approve an agreement amendment for the purchase of 12 additional credits.



ATTACHMENT 3

WATER TREATMENT PLANTS REHABILITATION PROJECT (PN: Z14006000)



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Map Prepared By
City of Sacramento
Department of Utilities

