Item 7.4

February 18, 2020
Background and Purpose

• Replenish the local groundwater basin to prevent further seawater intrusion and develop a sustainable water supply in a timely manner that meets the District’s supply objectives and the State’s mandate under the Sustainable Groundwater Management Act (SGMA)

• Develop an affordable, reliable, and drought-resistant supplemental water source, which contributes to the diversification of the District water supply portfolio and enhances water supply resiliency

• Continue to provide District customers with a high-quality and safe water supply
Background and Purpose

PUREWater Soquel
Replenishing Mid-County Groundwater & Preventing Further Seawater Intrusion

Three Primary Components:
- Treatment Project
- Conveyance Project
- Seawater Intrusion Prevention Wells Project

Working with Regional Partners:

Project included in the Groundwater Sustainability Plan
Open Process

- Conducted Early Engagement/Awareness
- Held a Disadvantage Business Enterprise (DBE)/Minority Business Enterprise (MBE)/Small Business Enterprise (SBE) Open House
- Posted Request for Qualifications (RFQ) onto the District’s Website

Review and Selection

- District Board appointed a committee to review and select a DB Team on May 21, 2019
Progressive Design-Build Team Selected

Kennedy/Jenks Consultants
Engineers & Scientists
## Phase 1: Design and Field Investigations

### Scope of Work – Primary Tasks

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Phase 1: Design and Field Investigations
Schedule & Open Book Estimating

• Completion of Phase I through 100% Design estimated by Jan 2021

• Brown & Caldwell conducted a detailed independent cost analysis

• Level of Effort is best estimate to carry out each task (estimated hours) and will be billed as Not to Exceed.

• Work in Phase 1 and Phase 2 will be conducted with “open book” accounting

• if Guaranteed Maximum Price (GMP) cannot be reached, the District could take an ‘Offramp’ option and bid the project
Next Steps: Phase 2-Construction

- First Guaranteed Price submittal will be provided 90 days after Notice to Proceed and price will be updated every 6 weeks
- Upon Guaranteed Price submittal following 60% Design, Phase II amendment to Progressive Design Build Agreement will be presented to Board of Directors for authorization.
- Construction anticipated to begin October 2020 and last through November 2022
- Milestone date for pipelines between City of Santa Cruz Waste Water Treatment Facility and Chanticleer Advanced Water Purification Facility to be functional for startup on July 1, 2022, remainder of pipeline substantially complete by October 31, 2022
- 4% Overhead and 4% Profit (8% total)
- If District accepts Lump Sum Option for Phase II, Design-Builder provides 1% discount, resulting in 7% overall mark-up for profit and overhead
Fiscal Impacts and Funding

- The Phase 1 Cost for the Conveyance Infrastructure Project is $5,058,583 and included in the Fiscal Year 2019/2020 Budget which was approved by the District Board on June 4, 2019.

- An independent cost analysis was performed to validate the cost estimate.

- The District has received preliminary award for a $50M grant through the Prop 1 Groundwater Program which will provide funding assistance for the Conveyance Infrastructure Project.
Possible Board Action(s)

1. By MOTION, and roll call vote, adopt Resolution 20-07 authorizing the award of the Design Build Agreement to Garney Pacific, Inc. for design and construction services for the Conveyance Infrastructure Project of the Pure Water Soquel Program; and authorize execution of the agreement by the Board President or the General Manager, and authorize the General Manager to sign a purchase order in the amount not to exceed $5,058,583 for Phase 1 services, and

2. By MOTION, and roll call vote, adopt Resolution 20-08 to approve the findings and consider the Conveyance Infrastructure Project of the Pure Water Soquel Program “substantially complex,” and authorize a retention amount for progress payments during Phase 2 of ten (10%) percent; or

3. Take no action.