



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

February 25, 2020

SUBJECT: Council discussion and consideration of adoption of Resolution No. 08-20 approving Yuba Water Agency Grant Agreement for \$700,000

PREPARED BY: Jim Goodwin

Recommendation

Staff recommends the City Council adopt Resolution No. 08-20 as presented.

Background/Discussion

On January 21, 2020, Yuba Water Agency Board of Directors approved a \$700,000 grant award for implementation of the Wheatland Comprehensive Water Project. The award is a match for the Integrated Regional Water Management Program (IRWMP) grant application submitted to the state Department of Water Resources.

The combined funding of \$1.4 million allows the city to replace all water meters in the city with modern, remote read meters, install required antennas, remove the elevated water tank from service, replace well pumps with energy-saving variable speed pumps and update utility billing and accounting software.

Use of the YWA funds is limited to the meter replacement, antenna and software elements of the larger project.

An announcement regarding award of the IRWMP grant is anticipated in April.

Alternatives

The City Council could choose not to accept the funds.

Fiscal Impact

Receipt of the funds frees the city's utility rate payers from future rate impacts for these capital improvements.

Attachments

1. Resolution No. 08-20

RESOLUTION NO. 08-20

**DIRECTING THE CITY MANAGER TO EXECUTE A GRANT AGREEMENT WITH
YUBA WATER AGENCY FOR THE WHEATLAND COMPREHENSIVE DRINKING
WATER PROJECT**

WHEREAS Yuba Water Agency agrees to grant the sum not to exceed \$700,000 to City of Wheatland for the Comprehensive Drinking Water Project; and

WHEREAS Yuba Water Agency has prepared a grant agreement (Exhibit A) stating the terms and conditions of the grant; and

WHEREAS, the Wheatland City Council wishes to accept the grant.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Wheatland hereby directs the City Manager to execute a grant agreement with Yuba Water Agency in a form substantially similar to Exhibit A.

PASSED AND ADOPTED by the City Council of City of Wheatland, State of California this 25th day of February 2020, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Rick West, Mayor

**GRANT AGREEMENT between
YUBA COUNTY WATER AGENCY and THE CITY OF WHEATLAND**

This agreement is made this 21st day of January, 2020 by and between Yuba County Water Agency, a public agency ("AGENCY"), and THE CITY OF WHEATLAND ("Grantee"), who agree as follows:

1. **Grant.** The Agency agrees to grant to Grantee the sum not to exceed \$700,000 subject to the terms of this Agreement. The grant shall be used by Grantee for a comprehensive drinking water project to include water accounting/conservation and water storage improvements.
2. By approving this Agreement, Agency determines that the grant will directly further support Agency purposes and objectives consistent with the Yuba County Water Agency Act and that the grant is an authorized and appropriate expenditure of Agency funds.
3. **Work To Be Performed.** Grantee shall fully perform the work described on Exhibit A, a request letter submitted January 2, 2020 from the City of Wheatland (the "Work").
4. **Method of Payment.** Upon request by Grantee, Agency shall pay all invoices, bills, statements, and other expenses for the Work. Total payments shall not exceed the grant amount. If Grantee has paid the vendor, with satisfactory proof of that payment, Agency will reimburse Grantee. Payment requests by Grantee shall include satisfactory copies of subject invoice(s), bill(s), statement (s), and/or other proof of cost item. If Agency determines that the payment request is for eligible costs, and if Grantee is otherwise in compliance with this Agreement, then Agency shall pay the item directly to the vendor, contractor, supplier, etc. within 30 days of receipt of the request.
5. **Term & Termination.**
 - 5.1. This Agreement shall take effect at the date entered above. Grantee must complete the Work, and all grant fund reimbursement/payment requests must be submitted to Agency by June 30, 2021, unless extended by mutual agreement of the parties. Any grant funds not expended by this date shall be forfeited by the Grantee and retained by the Agency.
 - 5.2. Agency may terminate this Agreement at any time for cause by giving 14 days prior written notice to Grantee. Cause shall mean (a) Grantee violates this Agreement, and such violation continues for a period of 30 days after notice of violation from Agency which notice shall specify the violation; (b) Grantee files or there is filed against Grantee a bankruptcy petition (unless, in the case of a petition filed against Grantee, the same is dismissed or stayed within 60 days); (c) Grantee makes an assignment for the benefit of creditors; (d) Grantee becomes insolvent or there shall occur a material adverse change in the financial conditions of Grantee; Grantee applies for or consents to the appointment of a receiver trustee, or conservator, or such appointment is made without Grantee's consent and is not vacated within 60 days; (f) Grantee files a petition or resolution of application for reorganization; or (g) Agency suffers a significant loss of revenue and/or deposits/reserves, resulting in a loss of sufficient funds for this Grant.
6. **Reports.** Grantee shall submit quarterly reports to Agency outlining progress made during the quarter for the tasks shown in Exhibit A to this agreement. Each quarterly report shall give a summary of

expenses during the quarter and the Grant in total. Quarterly reports are due within 45 days after the end of each quarter.

7. **Compliance.** Grantee shall perform the Work in compliance with all applicable federal, state and local laws and regulations and codes, including acquisition of all required permits, licenses entitlements and authorizations.
8. **Public Works Requirement.** If the Work consists of public works, as defined in Labor Code sections 1720 to 1720.4, then Grantee and its contractors and subcontractors shall comply with California statutes and regulations applicable to public works projects, including, but not limited to, the following requirements: payment of prevailing wage rates; employment of apprentices; hours of labor limitations and overtime; payroll records; workers' compensation insurance, payment/labor and materials bond (if grant amount exceeds \$25,000); non-discrimination laws; contractors' state license requirements; and California Environmental Quality Act environmental review.
9. **Inspections.** Agency reserves the right to inspect any Work to determine whether it is being performed in accordance with this Agreement. Agency may withhold grant payments if it finds Work nonconforming, until Grantee remedies the nonconformity.
10. **Record Keeping.**
 - 10.1 Grantee shall keep and maintain bookkeeping records, accounts, and documentation pertaining to the receipt, disbursement, and use of the grant proceeds to pay vendors, contractors, suppliers, and others who perform the Work for Grantee, including all invoices, receipts, canceled checks, contracts, purchase orders, and other source documents.
 - 10.2 These records shall be retained for a period of not less than three years from the final grant payment.
 - 10.3 These records shall be accessible and available for inspection or audit by Agency, or by its employees, accountants, attorneys or agents, at reasonable times and upon reasonable notice.
11. **Indemnification.** Grantee shall indemnify, defend, protect, and hold harmless Agency, and its officers, employees, volunteers and agents from and against any and all liability, losses, claims, damages, expenses, demands, and costs (including but not limited to, attorney, expert witness and consultant fees and litigation costs) of every nature arising out of Grantee's performance of the Work and caused by the negligent or willful act or omission of Grantee and its contractors or subcontractors or their employees, agents, and subcontractors, except where caused by the active negligence, sole negligence or willful misconduct of Agency or as otherwise provided or limited by law. Grantee's obligations under this indemnification provision shall survive the termination of, or completion of Work under, this Agreement.

12. General Provisions.

12.1 Integration. This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of terms of this contract among the parties concerning the subject matter addressed in this Agreement, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of this Agreement, except those other documents that are expressly referenced in this Agreement.

12.2 Waiver. The waiver at any time by any party of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to and subsequent default or matter.

12.3. Successors and Assignment. This Agreement shall bind and inure to the benefit of the respective successors, assigns, heirs, devisees, and personal representatives of the parties.

12.4 Governing Law and Venue. Except as otherwise required by law, this Agreement shall be interpreted, governed by, and construed under the laws of the State of California.

12.5 Attorney's Fees. In the events any legal action is brought to enforce or construe this Agreement, the prevailing party shall be entitled to an award of reasonable attorney's fees, expert witness and consultant fees, litigation costs, and costs of suit.

12.6 Notices. Any notice, demand, invoice or other communication required or permitted to be given under this Agreement shall be in writing and either served personally or sent by prepaid, first class U.S. mail addressed as follows:

Agency:

Yuba County Water Agency
Curt Aikens, General Manager
1220 F Street
Marysville, CA 95901

Grantee:

City of Wheatland
Jim Goodwin, City Manager
111 C. Street
Wheatland, CA 95692

Any party may change its address by notifying the other party of the change in the manner provided above.

YUBA COUNTY WATER AGENCY

CITY OF WHEATLAND

By: _____
Curt Aikens, General Manager

By: _____
Jim Goodwin, City Manager

EXHIBIT A



City of Wheatland

111 C Street Wheatland, California 95692

TELEPHONE (530) 633-2761
FAX (530) 633-9102

January 2, 2020

Terri Daly
Administrative Manager
Yuba Water Agency
1220 F Street
Marysville, CA 95901

Dear Terri,

I am writing with the hope Yuba Water Agency (YWA) will consider assisting Wheatland with a significant improvement to our municipal water utility. Wheatland currently serves a population of 3,700 water customers through approximately 1,100 connections.

The City's water meters, water meter reading technology and associated software is antiquated and in need of replacement. The current system is inefficient, labor intensive and does not allow the City to identify water losses or work proactively with customers on water conservation.

The deficiencies in the system are numerous. The distribution system includes multiple brands of meters that are aged and in need of replacement and standardization. Of 1,100 connections, a recent meter read required staff to open over one third of meter boxes to ensure accuracy. For a small agency with limited staff, this is unacceptable. In addition, the meter reading technology and software does not allow for any proactive or timely noticing of customers when their water use is high, hindering our ability to encourage conservation.

As you know we have been working with your grant team to pursue a Yuba County IRWMP grant project called the *Wheatland Comprehensive Drinking Water Project*, which will provide accurate accounting of water production, increase water system efficiency and enhance water system reliability. The project has two main components: water accounting/conservation and water storage improvements. Total cost for this project is approximately \$1.4 million. The IRWMP grant application requires a 50% local match. A preliminary cost estimate is attached for your review.

The first main component involves new meters at each of the City's supply wells, new remote-read meters for customers, and radio communications that are integrated with SCADA telemetry equipment. The effort will also include updated software to allow for improved water conservation and water

efficiency through constant monitoring that will allow leaks to be identified automatically and quickly, instead of monthly with meter reads. Finally, the project will replace broken groundwater monitoring equipment so that the City can closely monitor groundwater data and share that data with YWA for the benefit of the entire South Yuba Subbasin.

The second main component involves making the supply plant more reliable by taking the existing elevated water tower out of service. This work will include addressing corroded parts of the structure and re-painting repaired elements, which will preserve the tower's status as a historic icon in the area. Ground-mounted hydro-pneumatic tanks will replace the function of the elevated tower, which will efficiently pressurize the City's system. Lastly, the old pumps and motors will be replaced with variable frequency drive (VFD) motors to reduce energy consumption.

Based on the current IRWMP funding approach and schedule, the City may not be able to address these problems before 2021. We are asking YWA to consider funding the 50% local match ahead of the DWR IRWMP project review schedule so the deficiencies described above can be addressed as soon as possible. YWA funds would be used only for meters, remote feed hardware and software for meter reading and updated accounting software. The balance of the project would be funded with the IRWMP grant funds when approved. We have confirmed with DWR that matching funds spent in advance of a grant award can still be considered as a local match for the project should DWR approve funding for the IRWMP project. Demonstrating the match is already committed will strengthen the competitiveness of the *Wheatland Comprehensive Drinking Water Project* grant application.

If IRWMP grant funding for the balance of the project is not awarded, the city may seek additional funding from YWA at that time.

Thank you in advance for your consideration of this request.

Respectfully,



Jim Goodwin
City Manager

City of Wheatland
Preliminary Estimate
for
Wheatland Comprehensive Drinking Water Project

November 22, 2019

Item No.	Item Description	Estimated Quantity	Unit of Measure	Unit Cost	Item Total	Notes
	<i>Water System Reliability</i>					
x	Water Tower Restoration and Water Awareness	1	LS	\$150,000	\$150,000	
x	10,000 gallon Hydropneumatic Tank	2	EA	\$25,000	\$50,000	Includes tax
x	Pumps and Motor - 30hP 1000 GPM Variable Frequency Drive	2	EA	\$20,000	\$40,000	Includes tax
x	Control Modifications and Ancillary Items	1	LS	\$10,000	\$10,000	Includes tax
x	Misc. Corp Yard Piping Modifications	1	LS	\$10,000	\$10,000	Includes tax
x	Engineering- Design, Surveying, SCADA	1	LS	\$43,720	\$43,720	
x	CEQA	1	LS	\$1,280	\$1,280	
x	Construction Administration/Inspection	1	LS	\$22,826	\$22,826	
	City Administration	1	LS	\$20,000	\$20,000	
	Subtotal - Water System Reliability				\$347,826	
	<i>Water Conservation and Efficiency</i>					
x	1" Residential Meters and RTU	1034	EA	\$340	\$351,560	
x	Installation - 1" Meter and RTU	1034	EA	\$150	\$155,100	
x	6" Commercial Meters and RTU	3	EA	\$5,973	\$17,918	Meter plus RTU plus tax
x	4" Commercial Meters and RTU	1	EA	\$3,527	\$3,527	Meter plus RTU plus tax
x	3" Commercial Meters and RTU	1	EA	\$2,103	\$2,103	Meter plus RTU plus tax
x	2" Commercial Meters and RTU	14	EA	\$1,694	\$23,719	Meter plus RTU plus tax
x	1.5" Commercial Meters and RTU	18	EA	\$1,491	\$26,838	Meter plus RTU plus tax
x	Installation - Commercial Meter and RTU	37	EA	\$300	\$11,100	
x	Supply Meters	8	EA	\$4,000	\$32,000	
x	Water Meter Automation (Telemetry, Cabinets, Antennas)	1	EA	\$70,000	\$70,000	
x	Automation Software	1	EA	\$10,000	\$10,000	
x	Accounting Software	1	EA	\$40,000	\$40,000	
x	Transfer Accounts to New System - City Admin	1	LS	\$20,000	\$20,000	
x	Engineering - Meter replacement	1	LS	\$48,720	\$48,720	
x	CEQA	1	LS	\$1,280	\$1,280	
	Construction Administration	1	LS	\$20,000	\$20,000	
	Contract Administration	1	LS	\$5,000	\$5,000	
	Subtotal - Water Conservation and Efficiency				\$838,865	
	Contingency (15%)				\$178,004	
				Grand Total	\$1,364,695	