



# STAFF REPORT

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**Meeting Type:** Planning Committee/Board of Directors  
**Title:** Pine Mountain Tanks Phase 2 Project (D21043)  
**From:** Alex Anaya, Director of Engineering  
**Through:** Ben Horenstein, General Manager  
**Meeting Date:** February 13, 2025

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**TYPE OF ACTION:**                      Action                      Information                      X                      Review and Refer

**RECOMMENDATION:** Review and refer to a future regularly scheduled Board meeting for contract award for the Pine Mountain Tanks Phase 2 Project and award of a separate professional services contract for construction management services in support of the Pine Mountain Tanks Phase 2 Project

**SUMMARY:** The first phase of the Pine Mountain Tanks Replacement Project (Project) has been completed. Phase 1 work included the excavation of 45,000 cubic yards of soil, site grading, soil nail wall construction and site drainage improvements. This work was in preparation for Phase 2, which will construct two (2) two-million gallon tanks on Concrete Pipe Road. District will open construction bids for this project on March 4, 2025.

The construction of the pre-stressed concrete tanks will take four years to complete, involving extensive submittal review, request for information (RFI), and contractor and subcontractor coordination thus requiring a substantial time commitment to coordinate and successfully complete this phase of the Project. In support of this Project, staff have issued a request for proposals (RFP) from qualified construction management firms to support the construction management for the Project over the 4-year construction timeline. The District will receive proposals for these services on February 21, 2025.

Staff will make recommendations for award of the Phase 2 construction contract and the professional services agreement for construction management services at a future regularly scheduled Board meeting.

**DISCUSSION:** The Pine Mountain Tunnel Tanks Replacement Project is a multi-year two-phased project that will replace the existing Pine Mountain Tunnel. The Pine Mountain Tunnel is an 8,700-foot long tunnel built in 1919 to convey and treat water from Alpine Lake to San Rafael and the Ross Valley, now known as the Ross Valley System, which serves 44,000 District customers or roughly 23% of the District's service area. Due to regulatory constraints, the District abandoned the tunnel as a

conveyance system in 1971, but retained the tunnel to provide storage (approximately 3 million gallons) and surge protection. The tunnel is well beyond its useful life. The District is in continuous communication with the State Water Resources Control Board regarding the District's progress for the tunnel's decommissioning and replacement.

As part of the Water System Master Plan, the District and its consultant, Woodard & Curran (Consultant), conducted a focused evaluation of the storage needed to replace Pine Mountain Tunnel and support the larger Ross Valley System, including a detailed review of the previous studies and assumptions to improve storage capacity and reliability in the Ross Valley System. A sizing study for the Ross Valley System determined the appropriate sizing of four million gallons for the storage needed to replace Pine Mountain Tunnel and elevations to achieve the District's standard criteria for pressure zone sizing. Project siting alternatives were developed, with sites including locations that were previously analyzed as well as new potential storage site locations. The preferred project location for a storage facility to replace Pine Mountain Tunnel that best met the District's needs was identified on Concrete Pipe Road near drainage culvert No. 5, also known as "CP5".

On January 4, 2022, the Board of Directors authorized the General Manager to execute an amendment to the contract with Consultant for the final design package and bidding support services for the Project. The Consultant completed the final design of the first phase of the Project and supported staff during the advertisement and construction of the first phase. The Consultant has now completed the final design for the second phase of the Project, which includes the construction of the two (2) two million gallon pre-stressed concrete water storage tanks, yard system piping, final site improvements and backfill. This second phase of the Project will continue to have construction seasons between August 1<sup>st</sup> through January 31<sup>st</sup> to protect the Northern Spotted Owl nesting season, which spans between February 1<sup>st</sup> and July 31<sup>st</sup>.

Recognizing the 4-year construction period and complexity of the Phase 2 Project construction, Staff identified that additional outside resources would be necessary to successfully manage and execute this second phase of the Project.

The scope of the proposed construction management and administration services contract solicited under the RFP includes preparing and leading construction meetings, providing document management system for all project documentation, processing and logging contractor correspondence including submittals and RFIs, reviewing proposed change orders, issuing field directives and notices of non-compliance, reviewing payment requests and preparing progress payments, and supporting public communications.

Given the compressed construction window and multiyear construction timeframe, construction will be occurring at a high level of production each season to ensure timely completion of the Project. Having an experienced construction management team supporting Project construction will help ensure that the District can successfully complete this Project on time and within the budget.

Summaries of the estimated Phase 2 Project costs and schedule are provided below.

**Budget:**

Engineer's Estimate*:	\$17,810,000
Contingency (11%):	\$1,960,000

Construction Management (10%)\*\*: \$1,780,000  
Construction Engineering Services: \$450,000  
Testing & Geotech: \$100,000  
District Labor/Inspection: \$447,000  
Total Budget: \$22,547,000  
Budget Category: A1A11

\*Annual escalation included.

\*\*Construction Management fee estimated for budgeting purposes.

**Project Implementation:**

Project Advertisement: January 30, 2025  
Bid Opening: March 4, 2025  
Project Award: March 18, 2025  
Estimated Completion Date: January 31, 2029  
Duration: 730 days over four years

**ENVIRONMENTAL REVIEW:** On December 14, 2021, the Board of Directors adopted the Final IS/MND for the Pine Mountain Tunnel Tanks Replacement Project and approved the project conditioned upon completion of the MMRP. Staff will assure compliance with the MMRP.

**FISCAL IMPACT:** The total cost to complete Phase 2 of the Pine Mountain Tunnel Tanks Project is estimated at \$22,547,000, which has been identified in the Capital Improvement Program budget.

**ATTACHMENT(S):**

1. Site Map