

AGENDA STAFF REPORT



MEETING NAME: REGULAR BOARD MEETING(S)

MEETING DATE(S): OCTOBER 12 & OCTOBER 16, 2023

FROM: BRIAN MACY, INTERIM GENERAL MANAGER

FOR: ACTION X DIRECTION _____ INFORMATION _____

AWARD OF WELL 34 REHABILITATION PROJECT TO LEGEND PUMP AND WELL SERVICE, INC., AND CONTRACT AMENDMENT FOR KYLE GROUNDWATER

STAFF RECOMMENDATION

Authorize the Interim General Manager to take all necessary actions to award the Well 34 Rehabilitation Project to Legend Pump and Well Services, Inc. in the amount of \$565,662, plus a 10% contingency for a total of \$622,228.20, and augment the project budget an additional \$219,000 for the cost of construction, inspection, and labor compliance oversight and do all things necessary to complete the project, and amend and increase the existing contract with Kyle Groundwater, Inc. in the amount of \$45,950, for a total of \$110,751.00 to provide hydrogeological services for the Well 34 Rehabilitation Project.

SUMMARY

On September 12, 2023 one bid was received from Legend Pump and Well Services, Inc., (Legend) in the amount of \$565,662.00 to perform well rehabilitation on Well 34. Work includes performing casing integrity surveys, chemical treatment, well redevelopment and well disinfection.

From when Well 34 was originally constructed, it has not been able to produce the production rates desired. MSWD solicited bids for the Well 34 Rehabilitation project and received one bid from Legend.

Staff also solicited a quote from Kyle Groundwater to perform hydrogeologic oversight as they are already performing hydrogeologic services for Well 35, which will ultimately be interconnected to Well 34 when both wells are rehabilitated. Both Well 34 and Well 35 are part of the Skyborne Development.

The Analysis portion of this Board Report can be found in Attachment 'A'.

FISCAL IMPACT AND STRATEGIC PLAN IMPLEMENTATION

This project is in the FY 23-24 budget, and per Amendment #3 of the Agreement between MSWD and Skyborne Ventures, staff will execute a Supplemental Deposit Request from the Developer to augment the project budget. Per Amendment #3 of the Agreement the Developer will supplement the budget adjustment of \$219,000. Project costs to MSWD are reimbursable through the Development Agreement.

ATTACHMENTS

- Attachment 'A' - Analysis
- Location Map
- Bid Summary - Legend
- Bid Analysis
- Original Development Agreement and Amendment #3 to the Public Water System Improvement and Water Service Connection Fee Credit/Reimbursement Agreement

FINANCIAL DATA		
Cost Associated with this action:	\$680,000	
Current FY cost:	\$680,000	
Future FY cost:	-0-	
Is it covered in current year budget:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Budget adjustment needed:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
If yes, year needed:	FY 23-24	
All previous contracts including dates, amounts and board approvals are attached or have been made available.		
FUNDING SOURCES		
Source of funds:	Development Deposit	
BID/Job#	#11742	
Current BID/Job balance	\$461,000	
Balance remaining if approved:	\$0 ¹	

ATTACHMENT 'A'

ANALYSIS

Originally, the Skyborne Development was conditioned to construct Well 34 with a minimum production capacity of 1,000 gallons per minute, but the well was not able to achieve that production rate, per the original Mission Springs Water District Public Water System Improvement and Water Service Connection Fee Credit/Reimbursement Agreement (Agreement), dated August 30, 2006.

Subsequently, per Amendment #3 (dated November 15, 2021) to the Agreement, the Developer deposited a total of \$4,275,000 to include the Well 34 rehabilitation, Well 35 rehabilitation and 18" intertie between Well 34 and Well 35. Of this amount, \$475,000 is set aside for MSWD to rehabilitate Well 34 in the hopes to achieve the desired 1,000 gpm production level.

Secondly, at the May 15, 2023 Board meeting, a professional hydrogeologic services contract was approved for \$64,801 to Kyle Groundwater, Inc. to perform a preliminary well assessment, diagnostics, well testing and rehabilitation of Well 35 (also associated with the Skyborne Development), which will ultimately be interconnected with Well 34.

On September 24, 2023, Kyle Groundwater provided a quote to perform hydrogeologic and construction management oversight of Well 34 as it is being rehabilitated. Kyle Groundwater provided a quote in the amount of \$45,950, and staff recommends amending the original contract amount of \$64,801 (for hydrogeologic services at Well 35) by \$45,950 to include hydrogeological services, construction management and field observations during well rehabilitation, redevelopment and testing of Well 34. The amended contract amount will be \$110,751.

¹ Amendment #3 to the original Development Agreement, directs MSWD staff to prepare a 'Revised Well Work Estimate' and an additional deposit request to the developer to account for the increased costs of Well 34. These increased costs amount to \$219,000. Staff are presently coordinating this additional deposit request with the Developer and there will be no cost to MSWD.