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June 16, 2026

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Discussion and Possible Action to Approve Amendment No. 1 to the GHD Inc. Professional Services Agreement for the Painter Street Sewer Line Replacement Project, Increasing the Contract by \$229,951 for a Revised Total of \$442,087, and Extending the Completion Date to July 30, 2027.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve Amendment No. 1 to the GHD Inc. professional services agreement for the Painter Street Sewer Line Replacement Project (Project No. 12640567) in the amount of \$229,951, for a revised total contract amount of \$442,087, and further authorize the City Manager to execute Amendment No. 1 and all related documents on behalf of the City.

; or,

Take no action.

BACKGROUND AND DISCUSSION

GHD Inc. completed a preliminary engineering evaluation in 2018 to upsize the Painter Street sewer main from a 12-inch pipeline to an 18-inch line running from the end of Painter Street to the Wastewater Treatment Plant (WWTP). That evaluation supported a successful application to the State Water Resources Control Board (SWRCB) for Clean Water State Revolving Fund (CWSRF) grant funding. The CWSRF funding agreement was executed in December 2025, with an initial grant award of \$1,490,550 based on 2022 cost estimates.

Design work commenced in Spring 2024 using available funding from the CWSRF-funded Sanitary Sewer Evaluation Study (SSES), with SWRCB approval. Approximately \$111,100 in SSES design funds were applied to advance the Painter Street project while dedicated design funding was being finalized.

The project was publicly bid on January 7, 2026. Mercer Fraser Company submitted the low bid of \$1,570,283.50. Following the bid opening, the City submitted a Final Budget Amendment (FBA) to the SWRCB to account for the higher-than-anticipated construction costs and updated

soft costs. The FBA total is \$2,238,478.20. Amendment No. 1 costs are included within the FBA soft cost budget and are fully reimbursable under the SWRCB funding agreement. The project has been awarded and the project is expected to commence shortly.

During design development, GHD encountered a series of technical challenges that required substantially greater engineering effort than anticipated under the original contract scope. These issues included:

- Conflicting survey data requiring new topographic survey work to accurately model pipe depths and slopes.
- Minimum cover requirements not met at the upstream end of the existing alignment, requiring evaluation of alternative alignments and addition of cover material in the final design.
- Easement conflicts — the existing pipeline was outside mapped easements on three private properties. GHD coordinated with a licensed surveyor and property owners’ attorneys to update easements for the new pipe alignment.
- Minimum slope/velocity requirements — the initially proposed single 18-inch pipe could not simultaneously prevent winter overflows and maintain summer minimum velocities. The final design replaced it with a dual-pipe system: a 15-inch main line for year-round use and an adjacent 15-inch auxiliary line for high-flow winter capacity.
- Complex manhole configurations — a junction box was designed at the upstream Painter Street manhole to manage the merging of two existing pipelines.
- Pipeline routing to the headworks — proximity of existing structures precluded simple replacement; trenchless methods (microtunneling and HDD) were evaluated but found impractical; open-cut trench was selected as the most cost-effective and technically sound approach.

These complexities collectively drove additional design hours under Task 2, required additional project management and coordination under Task 1, and necessitated a significantly expanded construction management budget under Task 4 to see the project through to completion.

Task	Original Contract	Amendment No. 1	Revised Total
Task 1 — Project Management	\$17,331	\$30,000	\$47,331
Task 2 — Final Design	\$108,305	\$54,797	\$163,102
Task 3 — Bid Services	\$20,654	—	\$20,654
Task 4 — Construction Management	\$64,549	\$146,451	\$211,000
TOTAL	\$210,839	\$229,951	\$442,087

The revised completion date under Amendment No. 1 is July 30, 2027, reflecting the construction schedule through project closeout.

The Amendment No. 1 increase of \$229,951 is funded through the SWRCB CWSRF grant and has been incorporated into the approved Final Budget Amendment (FBA). The costs are

reimbursable under the City's funding agreement with SWRCB. No General Fund or Enterprise Fund expenditure is required. The total revised GHD contract amount is \$442,087.

This action involves approval of a professional services contract amendment for an ongoing capital infrastructure project. Environmental review requirements applicable to the underlying construction project were addressed separately.

ATTACHMENTS

- GHD Budget Update Letter and Amendment Proposal (June 9, 2026)
- GHD Amendment No. 1 — Q1403 Amendment/Change Form
- Exhibit A — Scope of Work Description
- SWRCB Final Budget Amendment (FBA) Budget Summary

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